

25X1A

Approved For Release 2001/05/08 : CIA-RDP72B00464R000100020001-2

Next 3 Page(s) In Document Exempt

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IN REPLY REFER TO

DEFENSE CONTRACT AUDIT AGENCY

CAMERON STATION
ALEXANDRIA, VIRGINIA 22314

OSA-2487-69
LA-70-16-126

REPLY TO:
Mr. Timothy H. Standifer
P.O. Box #9363
Rosslyn Station
Arlington, Virginia 22209

August 27, 1969

STATINTL SUBJECT: Report on Evaluation of Pricing Formula

[REDACTED]
Contract No. AG-1104

CALL

STATINTL TO : Contracting Officer [REDACTED]

1. Purpose of Evaluation. We have examined the contractor's records to determine the reasonableness of the rates used for pricing spare parts under the subject contract.

2. Scope of Evaluation. Proposed overhead and G&A rates were compared with those approved by the cognizant DCAA office.

STATINTL 3. Results of Evaluation. The proposed [REDACTED] labor overhead
STATINTL rate is recommended for acceptance; however the proposed [REDACTED] G&A
STATINTL rate is unacceptable. The cognizant DCAA office has approved a [REDACTED]
G&A rate.

mt 11%

14.8% 64.00

1 per

10.4 mtd 1 per

✓ 14.8 " 1 per

for W. Arthur G. Hanley
DCAA Representative - APL

CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that, to the best of my knowledge and belief, cost or pricing data as defined in ASPR 3-807.3(f) submitted, either actually or by specific identification in writing (see ASPR 3-807.3(g)), to the Contracting Officer or his representative in support of AG-1104* are accurate, complete, and current as of 24 October 1969
(day) (month) (year)

STATINTL

Firm

Name

Title

SR CONTRACTOR ADMINISTRATOR

1-14-70
Date of Execution

*Proposal Cable 0031

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OSA-2233 -71
2 September 1971

MEMORANDUM FOR: Chief, Contract Management Division, OSA
FROM: Chief, Budget & Finance Division, OSA
SUBJECT: Contract Completion Contract No. AG-1104

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1. Our records indicate that the subject contract was completed as of June 1970. The following action has been taken:

- refund
A. Final ~~XXXXX~~ made 7 July 1971
B. Audit report prepared 19 May 1971

Following is a summary of cost:

<u>Amount Obligated</u>	<u>Amount Paid</u>	<u>Balance</u>
\$ 70,688.00	\$ 70,688.00	-0-

2. We are using this memorandum as a basis for closing this contract as all deliveries and services have been completed.



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Chief, Budget & Finance Division
OSA/DBS&T

CONCUR:

25X1A

Chief, Contracts Management Division, OSA

Dist: Orig  - Addressee
1 - CMD/OSA 
1 - B&FD/OSA (Contr Pmt)

RWE:k1b/B&FD/OSA

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CONTRACT CLOSING CHECK LIST

Applicable to CFFC Contracts, Time and Material Contracts and Fixed Price - Price Redeterminable Contracts.

STATINTL

CONTRACTOR [REDACTED]CONTRACT NUMBER AG-1104 TYPE OF CONTRACT CX

	Accomplished	Date
(a) Performance:	✓	CELLD 8-4-70
(1) Certification of satisfactory completion		
(2) Evidence of receipt of end items (if applicable)		
(b) Final invoice and Contractor's statement of cumulative claim	✓	
(c) Final audit:	✓	11-4-70
(1) Requested	✓	
(2) Audit report		8-19-71
(d) Contractor's Release		
(e) Contractor's Assignment of Refunds, Rebates, and Credits	3	6-30-71
(f) Contractor's report of patents*	✓	6-30-71
(g) Residual inventory acquired under the contract:		CELLD
(1) Accounting by Contractor		8-4-70
(2) Disposition thereof*		
(h) Disposition of Government furnished property, if any *	✓	
(i) Contract amendment, if required	✓	
(j) Issuance of memo - Form No. 2167 with attach- ments to Finance to close contract	✓	
(k) Final Invoice	✓	
(l) Notice from Finance of final payment		
(m) Transfer of contract to:		
(1) Inactive file		
(2) Archives		

NOTE: In the case of fixed price - price redeterminable, contract items d, e, f, and g above are normally not applicable.

*Remarks: (f) action taken on affirmative statements

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SECRET

(When Filled In)

FILE INFO

1 FEB 71 11 10		REPRODUCTION PROHIBITED				1 FEB 71 19 29	
ACTION	1	<i>CMD</i> <i>ISA</i> <i>RB</i>	6	11	16		
	2		7	12	17		
	3		8	13	18		
	4		9	14	19		
	5		10	15	20		

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S E C R E T 011902Z FEB 71 CITE [REDACTED] 8498

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IDEALIST/CONTRACTS

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REF: [REDACTED] 0455, 28 JAN 71

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FROM: [REDACTED]

INFORMATION REQUESTED IS AS FOLLOWS:

CONTRACT	STATUS
AG-1103	INCOMPLETE
AG-1104	COMPLETE

S E C R E T

BT

REPORT OF INVENTIONS AND SUBCONTRACTS

(Pursuant to "Patent Rights" Contract Clause)

Form Approved

Budget Bureau No. 22-R160

INSTRUCTIONS TO CONTRACTOR

This form may be used for INTERIM and FINAL reports, and when used shall be completed and forwarded to the Contracting Officer in triplicate.

An INTERIM report shall be submitted at least every twelve months, commencing with the date of the contract, and should include only those inventions and subcontracts for which complete information has not previously been reported.

A FINAL report shall be submitted as soon as practicable after the work under the contract is complete and shall include (a) a summary of all inventions required by the contract to be reported, including all inventions previously reported and any inventions since the last INTERIM report; and (b) any required information for subcontracts which has not previously been reported.

1. NAME AND ADDRESS OF CONTRACTOR

STATINTL

2. CONTRACT NUMBER

AG 1104

3. TYPE OF REPORT (check one)

☐ a. INTERIM ☒ b. FINAL

SECTION I - INVENTIONS ("Subject Inventions" required to be reported by the "Patent Rights" clause)

4. INVENTION DATA (check one)

☒ a. THERE WERE NO INVENTIONS WHICH REASONABLY APPEAR TO BE PATENTABLE☐ b. LISTED BELOW ARE INVENTIONS WHICH REASONABLY APPEAR TO BE PATENTABLE. ANY INVENTION DISCLOSURES WHICH HAVE NOT BEEN PREVIOUSLY SUBMITTED TO THE CONTRACTING OFFICER ARE ATTACHED TO THIS REPORT.

(i) NAME OF INVENTOR	(ii) TITLE OF INVENTION	(iii) PATENT APPLICATION SERIAL NUMBER AND CONTRAC- TOR'S DOCKET NO.	(iv) CONTRACTOR HAS FILED OR WILL FILE U.S. PATENT APPLICATION		(v) CONFIRMATORY LICENSE OR ASSIGNMENT HAS BEEN FORWARD- ED TO CONTRAC- TING OFFICER	
			YES	NO	YES	NO
NONE						

SECTION II - SUBCONTRACTS (Containing a "Patent Rights" clause)

5. LISTED BELOW IS INFORMATION REQUIRED BUT NOT PREVIOUSLY REPORTED FOR SUBCONTRACTS. (If not applicable, write "None".)

(i) NAME AND ADDRESS OF SUBCONTRACTOR	(ii) SUBCONTRACT NUMBER	(iii) DATE CLAUSE FURNISHED TO CON- TRACTING OFFICER	(iv) DATE SUBCONTRACT COMPLETED

SECTION III - CERTIFICATE

CONTRACTOR CERTIFIES THAT THIS REPORT OF INVENTIONS AND SUBCONTRACTS, INCLUDING ANY ATTACHMENTS, IS CORRECT TO THE BEST OF THE CONTRACTOR'S KNOWLEDGE AND BELIEF.

STATINTL

DATE

6/30/71

NAME AND TITLE OF AUTHORIZED OFFICIAL (Print or Type)

STATINTL

Approved For Release 2001/05/08 : CIA-RDP72B00464R000100020001-2

REPORT OF INVENTIONS AND SUBCONTRACTS
 (Pursuant to "Patent Rights" Contract Clause)

 Form Approved
 Budget Bureau No. 22-R160

INSTRUCTIONS TO CONTRACTOR

This form may be used for INTERIM and FINAL reports, and when used shall be completed and forwarded to the Contracting Officer in triplicate.

An INTERIM report shall be submitted at least every twelve months, commencing with the date of the contract, and should include only those inventions and subcontracts for which complete information has not previously been reported.

A FINAL report shall be submitted as soon as practicable after the work under the contract is complete and shall include (a) a summary of all inventions required by the contract to be reported, including all inventions previously reported and any inventions since the last INTERIM report; and (b) any required information for subcontracts which has not previously been reported.

1. NAME [REDACTED]	2. CONTRACT NUMBER AG 1104
STATINTL	3. TYPE OF REPORT (check one) <input type="checkbox"/> a. INTERIM <input checked="" type="checkbox"/> b. FINAL

SECTION I - INVENTIONS ("Subject Inventions" required to be reported by the "Patent Rights" clause)

4. INVENTION DATA (check one)
- ☒ a. THERE WERE NO INVENTIONS WHICH REASONABLY APPEAR TO BE PATENTABLE
- ☐ b. LISTED BELOW ARE INVENTIONS WHICH REASONABLY APPEAR TO BE PATENTABLE. ANY INVENTION DISCLOSURES WHICH HAVE NOT BEEN PREVIOUSLY SUBMITTED TO THE CONTRACTING OFFICER ARE ATTACHED TO THIS REPORT.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE. DOCUMENTS AND RECORDS ARE ATTACHED TO THIS REPORT.						
(i) NAME OF INVENTOR	(ii) TITLE OF INVENTION	(iii) PATENT APPLICATION SERIAL NUMBER AND CONTRAC- TOR'S DOCKET NO.	(iv) CONTRACTOR HAS FILED OR WILL FILE U.S. PATENT APPLICATION		(v) CONFIRMATORY LICENSE OR ASSIGNMENT HAS BEEN FORWARD- ED TO CONTRAC- TING OFFICER	
			YES	NO	YES	NO
NONE						
SECTION II. SUBCONTRACTORS						

SECTION II - SUBCONTRACTS (Containing a "Patent Rights" clause)

5. LISTED BELOW IS INFORMATION REQUIRED BUT NOT PREVIOUSLY REPORTED FOR SUBCONTRACTS. (If not applicable, write "None".)

(i) NAME AND ADDRESS OF SUBCONTRACTOR	(ii) SUBCONTRACT NUMBER	(iii) DATE CLAUSE FURNISHED TO CONTRACTING OFFICER	(iv) DATE SUBCONTRACT COMPLETED

SECTION III - CERTIFICATE

CONTRACTOR CERTIFIES THAT THIS REPORT OF INVENTIONS AND SUBCONTRACTS, INCLUDING ANY ATTACHMENTS, IS CORRECT TO THE BEST OF THE CONTRACTOR'S KNOWLEDGE AND BELIEF.

STATINTL

DATE 6/30/71	NAME AND TITLE OF AUTHORIZED OFFICIAL (Print or Type) [REDACTED] STATINTL Senior Contract Administrator
-----------------	---

DD FORM 882



IN REPLY REFER TO

DEFENSE CONTRACT AUDIT AGENCY
CAMERON STATION
ALEXANDRIA, VIRGINIA 22314

OSA-1295-71
LA-71-82-678

REPLY TO:
Mr. Timothy H. Standifer
P. O. Box #9363
Rosslyn Station
Arlington, Virginia 22209

May 19, 1971

SUBJECT : Contract Audit Closing Statement

STATINTL

TO : Contracting Officer (Attention: [REDACTED]) STATINTL

1. This call-type contract dated October 30, 1969, provided for furnishing spare parts, modification kits, components, and data. Work commenced during July 1969 and was essentially completed in June 1970.
2. We have examined the contractor's accounting records and financial operating procedures for the purpose of determining whether the amounts billed by the contractor represented allowable costs under the terms of the contract. The examination was performed in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and other auditing procedures as were considered necessary.

3. The results of our examination follow:

Billed Amount through Call No. 70-8	\$71,433
Recommended Allowable Amount	70,688
Disapproved Amount	<u>\$ 745</u>

-2-


STATINTL

The disapproved amount represents our application of [REDACTED] fee to

material costs in four calls, according to the negotiated pricing formula.

STATINTL

The contractor used [REDACTED] Senior Contract Administrator,
concurred in the disallowed amount.


ARTHUR G. HANLEY
DCAA Representative-APL

DATE 4 Nov 1970

MEMORANDUM FOR: Chief, Industrial Audit Division, OSA

SUBJECT : REQUEST for AUDIT

CONTRACTOR

Contract No.

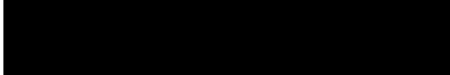
Type of Contract

Type of Audit Required:

Dollar Value of Contract:

Date Audit Required:

NEGOTIATOR:


AG-1104

T&M

FINAL (For Settlement)

\$75,000.00

30 December 1970

STATINTL


STATINTL

DATE 11-6-70

MEMORANDUM FOR: Contracts Management Division, OSA

Audit Scheduled For: ASAP

10
C/IAD/OSA

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HANDLE VIA [REDACTED]
CONTROL SYSTEM

SECRET 25X1A
IDEALIST

[REDACTED] 9218-70
Copy 1 of 6

Contract No. AG-1104
Amendment No. 1

23 JUN 1970

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[REDACTED]

Gentlemen:

1. This amendment is written to deobligate funds which are in excess of current and anticipated requirements under this contract.

2. According, this contract is hereby amended as follows:

PART VI - FUNDS ALLOCATED - shall be deleted in its entirety and replaced by the following:

" a. Funds are hereby allocated in the amount of \$75,000.00 for Purchase Requests which may be issued hereunder.

b. The total amount payable to the Contractor hereunder shall be limited to the above stated amount. Written authorization from the Contracting Officer is a prerequisite for any excess funding requirements."

3. All other terms and conditions of this contract shall remain in effect as presently stipulated.

4. Please indicate your acceptance of the foregoing by signing and returning the original and one copy of this amendment, retaining the other copy for your files.

Very truly yours,

THE UNITED STATES OF AMERICA

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25X1A

[REDACTED]

[REDACTED]

Contracting Officer

STATINTL

BY [REDACTED]

TITLE SENIOR CONTRACT ADMINISTRATOR

DATE 7/2/70

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SECRET
PRICE

AGE LIST

EXHIBIT "A"

Item No.	Part No.	Description	Status Code	Unit Price
1	AG 107617A	Cart & Console	R	\$ 5,200.00
2	AG 1279409	Console Control Ass'y	R	4,700.00
3	AG PAC-37-1/4T	Air Conditioner	R	3,200.00
4	AG 1200A	Oscilloscope	R	1,700.00
5	AG 3439A	Digital Voltmeter	R	1,700.00
6	AG 3441A	Range Selector	R	150.00
7	AG 5325A	Digital Counter	R	2,200.00
8	AG 1279387	Simulator	R	5,400.00
9	AG 3400A	R.M.S. Voltmeter	R	1,000.00
10	AG 269	VOM & Case	R	200.00
11	AG 1279412	Portable Control Box	R	1,300.00
12	AG 1279413	Portable Target	R	900.00
13	AG 1277993	Preamp Extender	NR	100.00
14	AG 1279419	Support Fixture	R	300.00
15	AG 1279410	Transporter	R	2,900.00
16	AG 1279812	Shorting Plugs, Detector	NR	250.00
17 thru 20 & 24 thru 30	AG 1279811-1 thru -11	Cables (Set)	NR	165.00

Item No.	Part No.	Description	Status Code	Unit Price
21	AG 1279475	Scanner Extension Cable	R	\$ 300.00
22	AG 1279810	Preamplifier Card	NR	40.00
23	AG 1279809	Temp. Shorting Plug for J103	R	100.00
31	AG 1279801	Optical Spanner Wrench	NR	375.00
32	AG 1279464	Test Fixture, Scanner	R	250.00
33	AG ED1000-7-22	Drawer Ass'y.	R	250.00
34	AG PTB-18-30PS	Bulkhead Feed Thru	NR	75.00

SECRET

PRICED

SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
	<u>PREAMPLIFIER ASSEMBLY</u>			
1	AG 1278058-1	Preamp Module Assembly	R	\$ 1,275.00
2	AG 1277995-1	Board, P.C.	NR	855.00
3	AG 1278060-1	Board, P.C.	NR	19.00
3a	AG 1277990-1	Bracket, Preamp, Heater	NR	90.00
4	AG 1277997-1	Card Guide, Side	NR	59.00
6	AG 1277999-1	Card Guide, Center	NR	51.00
7	AG C11A390J	Capacitor, T&C	NR	2.30
8	AG C11A620J	Capacitor, T&C	NR	1.40
9	AG C11A101J	Capacitor, T&C	NR	1.40
10	AG C11A201J	Capacitor, T&C	NR	2.30
11	AG C11A221J	Capacitor, T&C	NR	2.30
12	AG C11A391J	Capacitor, T&C	NR	2.00
13	AG C11A471K	Capacitor, T&C	NR	1.50
13a	AG C11A681J	Capacitor, T&C	NR	1.50
15	AG C11A102J	Capacitor, 1,000PF	NR	1.50
16.	AG C11A123J	Capacitor, 012UF	NR	2.00

SECRET

SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
17	AG C11A332J	Capacitor, 3300PF	NR	\$ 2.30
20	AG MTP306M050P1B	Capacitor	NR	5.30
21	AG C11A202J	Capacitor, 2000PF	NR	5.30
22	AG C11A432J	Capacitor, 100PF	NR	1.85
23	AG 162D105x9010AA2	Capacitor, 1 UF	NR	2.10
24	AG 162D474x9020AA2	Capacitor	NR	2.20
25	AG 162D105x9020AB2	Capacitor, 1 UF	NR	2.10
26	AG 162D154x9035AA2	Capacitor, 15UF	NR	2.10
27	AG PTO2E-8-4P	Connector	NR	6.50
28	AG SRM34PF000	Connector	NR	8.50
29	AG SRM75NSSF000	Connector	NR	38.00
30	AG 64-15	Connector	NR	9.00
31	AG 1278000-1	Cover, Assembly	R	270.00
32	AG 1277989-1	Cover, Top Plate	NR	161.00
33	AG MT6116	Diode,Zener, 9.1V	NR	20.50
34	AG MT6117	Diode,Zener, 30V	NR	20.50
35	AG 1N4149	Diode	NR	1.00

Item No.	Part No.	Description	Status Code	Unit Price
36	AG 1277987-1	End Plate, Front	NR	\$ 85.00
37	AG 1278002-1	End Plate, Back	NR	85.00
38	AG KNCALO440	Insert, THD	NR	.85
38a	AG 1278000-3	Insulator, Neoprene	NR	31.50
39	AG 79LH1600-26	Nut	NR	.20
40	AG MS21043-04	Nut	NR	.50
41	AG 1277991-1	Plate, Bottom	NR	94.00
42	AG 10-12-1K	Potentiometer	NR	12.40
43	AG RC05GF362J	Resistor, T&C	NR	.30
44	AG RC05GF392J	Resistor, T&C	NR	.30
45	AG RC05gF432J	Resistor, T&C	NR	.30
46	AG RC05GF472J	Resistor, T&C	NR	.30
47	AG RC05GF512J	Resistor, T&C	NR	.30
48	AG RC05GF562J	Resistor, T&C	NR	.30
49	AG RC05GF103J	Resistor, T&C	NR	.30
50	AG RC05GF113J	Resistor, T&C	NR	.30
51	AG RC05GF123J	Resistor, T&C	NR	.30

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
52	AG RCO5GF133J	Resistor, T&C	NR	\$.30
53	AG RCO5GF153J	Resistor, T&C	NR	.30
53a	AG RCO5GF183J	Resistor, T&C	NR	.30
54	AG RCO5GF163J	Resistor, T&C	NR	.30
55	AG RCO5GF203J	Resistor, T&C	NR	.30
56	AG RCO5GF821J	Resistor, T&C	NR	.30
57	AG RCO5GF911J	Resistor, T&C	NR	.30
58	AG RCO5GF104J	Resistor, T&C	NR	.30
59	AG RCO5GF124J	Resistor, T&C	NR	.30
60	AG RCO5GF154J	Resistor, T&C	NR	.30
61	AG RCO5GF204J	Resistor, T&C	NR	.30
62	AG RCO5GF304J	Resistor, T&C	NR	.30
63	AG RCO5GF563J	Resistor, T&C	NR	.30
64	AG RCO5GF683J	Resistor, T&C	NR	.30
65	AG RCO5GF753J	Resistor, T&C	NR	.30
66	AG RCO5GF823J	Resistor, T&C	NR	.30
68	AG RCO5GF224J	Resistor, T&C	NR	.30

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Item No.	Part No.	Description	Status Code	Unit Price
69	AG RC05GF244J	Resistor, T&C	NR	\$.30
70	AG RC05GF274J	Resistor, T&C	NR	.30
72	AG RC05GF334J	Resistor, T&C	NR	.30
73	AG RC05GF364J	Resistor, T&C	NR	.30
74	AG RC05GF394J	Resistor, T&C	NR	.30
75	AG RC05GF434J	Resistor, T&C	NR	.30
76	AG RC05GF102J	Resistor, T&C	NR	.30
78	AG RC05GF112J	Resistor, T&C	NR	.30
81	AG RC05GF132J	Resistor, T&C	NR	.30
83	AG RC05GF152J	Resistor, T&C	NR	.30
86	AG RC05GF182J	Resistor, T&C	NR	.30
88	AG RC05GF202J	Resistor, T&C	NR	.30
90	AG RC05GF222J	Resistor, T&C	NR	.30
91	AG RC05GF223J	Resistor, T&C	NR	.30
92	AG RC05GF242J	Resistor, T&C	NR	.30
93	AG RC05GF243J	Resistor, T&C	NR	.30

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Item No.	Part No.	Description	Status Code	Unit Price
94	AG RC05GF272J	Resistor, T&C	NR	\$.30
95	AG RC05GF273J	Resistor, T&C	NR	.30
96	AG RC05GF302J	Resistor, T&C	NR	.30
97	AG RC05GF332J	Resistor, T&C	NR	.30
104	AG RC05GF622J	Resistor, T&C	NR	.30
105	AG RC05GF682J	Resistor, T&C	NR	.30
106	AG RC05GF752J	Resistor, T&C	NR	.30
107	AG RC05GF822J	Resistor, T&C	NR	.30
108	AG RC05GF912J	Resistor, T&C	NR	.30
111	AG RC05GF303J	Resistor, T&C	NR	.30
112	AG RC05GF333J	Resistor, T&C	NR	.30
113	AG RC05GF363J	Resistor, T&C	NR	.30
114	AG RC05GF393J	Resistor, T&C	NR	.30
115	AG RC05GF433J	Resistor, T&C	NR	.30
116	AG RC05GF473J	Resistor, T&C	NR	.30
140	AG RC05GF105J	Resistor, 1M, 1/8W	NR	.30
141	AG RC05GF106J	Resistor, 1M, 1/8W	NR	.30

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
143	AG RCO5GF116J	Resistor, 11M, 1/8W	NR	\$.30
148	AG RCO5GF205J	Resistor, 2M, 1/8W	NR	.30
149	AG RCO5GF226J	Resistor, 22M, 1/8W	NR	.30
155	AG RCO5GF391J	Resistor 390 Ohm 1/8W	NR	.30
157	AG RCO5GF435J	Resistor, 4.3M, 1/8W	NR	.30
158	AG RCO5GF513J	Resistor, 51K, 1/8W	NR	.30
159	AG RCO5GF514J	Resistor, 510K, 1/8W	NR	.30
160	AG RCO5GF564J	Resistor, 560K, 1/8W	NR	.30
161	AG RCO5GF565J	Resistor, 5.6M, 1/8W	NR	.30
162	AG RCO5GF681J	Resistor, 680, Ohm 1/8W	NR	.30
163	AG RCO5GF754J	Resistor, 750K 1/8W	NR	.30
164	AG RCO5GF755J	Resistor, 7.5M, 1/8W	NR	.30
165	AG RN60D4531F	Resistor, 45K, 1/4W 1%	NR	1.50
166	AG RH-5-300/Ohm	Resistor	NR	3.25
167	AG RN50C3922F	Resistor, 39.2K, 1/8W $\pm 1\%$	NR	.50
168	AG MS51957-13	Screw	NR	2.50 /C
169	AG NAS662C2R3	Screw, Flat Hd	NR	2.50 /C

SECRET

SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
170	AG MS51957-15	Screw, Flat Hd	NR	\$ 2.50/c
171	AG MS51957-14	Screw, Pan Hd	NR	2.50/c
171a	AG 1277992-1	Shield, Connector	NR	58.00
172	AG 510-N-050A060	Switch, Thermal	NR	26.00
173	AG D26E-1	Transistor	NR	2.35
174	AG SS1554/2N2605	Transistor	NR	12.00
175	AG 2N3457	Transistor	NR	29.00
176	AG MS35338-135	Washer, Split Lock Steel Cres.	NR	2.50/c
177	AG MS15795-803	Washer	NR	2.50/c
177a	AG 1277986-1	Ground Strap	NR	26.50
178	AG AN960C2L	Washer, Flat	NR	2.50/c
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Item No.	Part No.	Description	Status Code	Unit Price
	<u>HEAD AND TELESCOPE ASSEMBLY</u>			
179	AG None	Head Assembly		\$90,000.00
180	AG CM6838	Lamp, Elevation Sect	NR	3.25
181	AG 1277968-3	Cartridge Assy	NR	43.00
181a	AG 1277935-1	Cover, Dome	NR	200.00
182	Class 5 AG SFR144SSW2-09	Bearing	NR	4.75
183	AG 1277893-1	Detector Assembly	NR	40,000.00
183a	AG 1277920-1	Drum, Self Test	NR	160.00
183b	AG 1277901-1	Gasket, Mirror Mtg.	NR	45.00
195	AG CM8-640	Lamp, Telescope	NR	1.75
197	AG 1277898-1	Positioner	NR	400.00
198	AG 1277895-1	Prism	NR	300.00
199	AG 1277889-1	Lens	NR	850.00
200	AG 1277888-1	Lens	NR	1,100.00
201	AG 1277890-1	Lens	NR	1,100.00
202	AG 1277894-1	Mirror	NR	600.00
202a	AG 1277891-1	Filter	NR	600.00

SECRET

SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
203	41D100-5 AG 09-DM-AA-1A	Motor	NR	\$ 135.00
204	AG 79NTM-38	Nut	NR	14.00/c
205	AG 1277886-1	Ring, Threaded	NR	90.00
206	AG 1277887-1	Ring, Thd. 2nd Elem.	NR	90.00
207	AG 1277892-1	Ring, Threaded	NR	90.00
207a	AG 1277966-1	Ring, Thd	NR	90.00
208	AG AN340C4	Nut	NR	2.50/c
209	AG 3-48	Screw	NR	1.00
210	AG MS16995-9	Screw	NR	2.50
211	AG MS16995-27	Screw	NR	2.50/c
212	AG None	Screw, Soc. Hd. Cap 6-32 X 1.25 Lg	NR	2.50/c
213	AG MS16995-11	Screw	NR	2.50/c
214	AG MS16995-3	Screw	NR	2.50/c
215	AG MS16995-20	Screw	NR	2.50
216	AG AN507C440-4	Screw	NR	3.00/c
217	AG None	Screw, Soc. Hd Cap 4-40 X 1.25 Lg	NR	2.70
218	AG MS51038-59 29	Screw, Set	NR	2.70

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Item No.	Part No.	Description	Status Code	Unit Price
219	AG MS16995-19	Screw	NR	\$ 2.50
220	AG None	Screw, Button Hd Soc Cap 4-40X.375Lg	NR	2.50
221	AG MS16995-16	Screw	NR	2.50
222	AG M70CRB256H-2E	Screw	NR	1.75
223	AG MS16995-25	Screw	NR	2.50
224	AG 1277925-1	Shaft, Yoke	NR	45.00
225	AG B1-1	Spacer	NR	17.00
226	AG 1277921-1	Base Plate, Self Test	NR	--
226a	AG 1277926-1	Shaft, Yoke Dr.	NR	--
227	AG 1277928-1	Spacer, Focusing	NR	4.25
227a	AG 1277928-2	Spacer, Focusing	NR	4.25
227b	AG 1277928-3	Spacer, Focusing	NR	4.25
227c	AG 1277928-4	Spacer, Focusing	NR	4.25
227d	AG 1277928-5	Spacer, Focusing	NR	4.25
227e	AG 1277928-6	Spacer, Focusing	NR	4.25
227f	AG 1277928-7	Spacer, Focusing	NR	4.25
227g	AG 1277928-8	Spacer, Focusing	NR	4.25

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
228	AG H2744-032 H1079-032	Solenoid	NR	\$ 17.00
230	AG 1480A	Terminal	NR	.60
231	AG 1277922-1	Support	NR	250.00
232	AG 1277924-1	Support, Solenoid	NR	300.00
232a	AG 1277965-1	Stop, Aperture	NR	5.00
232b	AG 1277965-2	Stop, Aperture	NR	5.00
232c	AG 1277965-3	Stop, Aperture	NR	5.00
232d	AG 1277965-4	Stop, Aperture	NR	5.00
232e	AG 1277965-5	Stop, Aperture	NR	5.00
232f	AG 206052-325	Sync Lamp	NR	.75
233	AG 118MA5B	Thermistor	NR	225.00
234	AG NAS620A4L	No.6 Washer, Flat	NR	2.50
234a	AG NAS620A8L	Washer	NR	2.50/c
234b	AG 5610-62-40	Washer, Nylon	NR	2.50/c
234c	AG 1277932-1	Window, Self Test	NR	18.00
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SPARE PARTS LIST

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Item No.	Part No.	Description	Status Code	Unit Price
		<u>DOME ASSEMBLY</u>		
236	AG 1277779-1	Dome Assembly	R	\$ 6,500.00
237	AG 1277778-1	Dome (Ground)	NR	5,400.00
239	AG MS20426AD4-7	Rivet	NR	2.50/c
240	AG 1277777-1	Sleeve	NR	900.00
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		<u>LOGIC ASSEMBLY</u>		
		(Beginning Next Page)		

SECRET

Item No.	Part No.	Description	Status Code	Unit Price
242	AG 1278019-1	Board, Printed Circ. Bd. "A", Target Storage & Validity	R	\$ 1,500.00
243	AG 1278025-1	Board, Printed Circ. Bd. "B", Target Storage & Validity	R	1,175.00
244	AG 1278028-1	Board, Sector Timer and Gate Assy.	R	2,200.00
245	AG 1278016-1	Board, Target Size Discrimination & Self Test Gates "B"	R	1,250.00
246	AG 1278044-1	Board, Target Size Discrimination & Self Test Gate Bd "A"	R	815.00
247	AG 1278038-1	Board, Servo Amp-Elev. Assy.	R	985.00
248	AG 1278041-1	Board, Servo Amp-Azimuth Assy.	R	1,050.00
249	AG 1278031-1	Board, Scan Pattern Gen. Bd #1	R	1,350.00
250	AG 1278031-3	Board, Scan Pattern Gen. No. 2	R	1,350.00
251	AG 1278035-1	Board, Scan Pattern Gen. Bd. No.3	R	1,425.00
252	AG 1278018-1	Board, Sig. Process & Delay Assy.	R	1,425.00
253	AG 801BE	Amplifier	NR	76.00
253a	AG 275-5	Ball Mount	NR	.35
254	AG 1278024-1	Board, P.C.	NR	82.00
255	AG 1278027-1	Board, P.C.	NR	67.00
256	AG 1278030-1	Board, P.C.	NR	82.00
257	AG 1278020-1	Board, P.C.	NR	81.00

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
258	AG 1278021-1	Board, P.C.	NR	\$ 81.00
259	AG 1278033-1	Board, P.C.	NR	65.00
260	AG 1278043-1	Board, P.C.	NR	60.00
261	AG 1278037-1	Board, P.C.	NR	78.00
262	AG 1278022-1	Board, P.C.	NR	80.00
262a	AG 1278040-1	Board, P.C.	NR	75.00
263	AG 1278063-1	Board, P.C. 80 Pin Connector	NR	38.00
264	AG PCM40D62D24-1	Connector	NR	17.00
266	AG C10A101J	Capacitor	NR	2.00
266a	AG C10A103J	Capacitor	NR	2.00
267	AG C10A103K	Capacitor	NR	2.00
268	AG C10A153K	Capacitor	NR	2.00
270	AG DC-221K	Capacitor	NR	1.50
271	AG DR475X50MU	Capacitor	NR	5.50
273	AG D1ROX35MU	Capacitor	NR	5.50
274	AG 150D124X9035AZ	Capacitor	NR	1.85

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
275	AG 162D475X9020BA2	Capacitor	NR	\$ 1.85
276	AG 1278012-1	Clamp, P.C.Bd. File	NR	150.00
277	AG 1278012-2	Clamp, P.C.Bd. File	NR	150.00
278	AG 1N3580A	Diode	NR	9.00
278a	AG 1N3826A	Diode	NR	4.50
279	AG 1N4148	Diode	NR	.60
280	AG 1N4571	Diode	NR	12.50
281	AG 1N4901A	Diode	NR	24.50
282	AG 1N752A	Diode	NR	4.75
283	AG 1N753A	Diode	NR	1.75
284	AG 1N821A	Diode	NR	5.25
285	AG 1N941	Diode, Zener	NR	5.50
286	AG 1N945	Diode	NR	45.00
287	AG 1N967B	Diode	NR	1.75
288	AG 1N968B	Diode, Zener	NR	1.75
289	AG 650C3	Diode	NR	10.00
290	AG NE116A	DTL Logic	NR	9.00

Item No.	Part No.	Description	Status Code	Unit Price
291	AG NE124A	DTL Logic	NR	\$ 8.25
292	AG NE156A	DTL Logic	NR	8.25
293	AG NE180A	DTL Logic	NR	8.25
294	AG 1278007-1	End Plate P.C.File	NR	220.00
295	AG NE106A	DTL Logic	NR	7.75
297	AG 1278015-1	Guide	NR	7.50
298	AG 1278015-2	Guide	NR	7.50
299	AG 1278015-3	Guide	NR	7.50
300	AG 1278015-4	Guide	NR	7.50
301	AG 1278015-5	Guide	NR	7.50
302	AG 1278015-6	Guide	NR	7.50
303	AG 1278015-7	Guide	NR	7.50
304	AG 1278015-8	Guide	NR	7.50
305	AG 2212A	Heat Sink	NR	2.75
308	AG NAS671C4	Nut HEX 4-40NC-24	NR	4.25
310	AG NAS671-8	Nut	NR	.80
311	AG NAS679-C04M	Nut	NR	2.50

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Item No.	Part No.	Description	Status Code	Unit Price
346	AG RC05GF510J	Resistor	NR	\$.25
351	AG RC07GF221J	Resistor	NR	.20
352	AG RC07GF242J	Resistor	NR	.20
353	AG RC07GF302J	Resistor	NR	.20
354	AG RC07GF333J	Resistor	NR	.20
355	AG RC07GF511J	Resistor	NR	.20
356	AG RC20GF222J	Resistor	NR	.20
357	AG RN50C1002F	Resistor	NR	1.80
358	AG RN50C1102F	Resistor	NR	1.80
359	AG RN50C1213F	Resistor	NR	1.80
360	AG RN50C2372F	Resistor	NR	1.80
361	AG RN50C2402F	Resistor	NR	1.80
362	AG RN50C2491F	Resistor	NR	1.80
363	AG RN50C2492F	Resistor	NR	1.80
364	AG RN50C2672F	Resistor	NR	1.80
365	AG RN50C2702F	Resistor	NR	1.80
366	AG RN50C3012F	Resistor	NR	1.80

SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
368	AG RS-1A	Resistor	NR	\$ 1.30
369	AG 7005-1.5K	Resistor	NR	4.00
370	AG 7009-1M	Resistor	NR	10.25
371	AG 7005-10K	Resistor	NR	4.75
372	AG 7005-13K	Resistor	NR	4.75
372a	AG 7005-130K	Resistor T&C	NR	6.75
373	AG 7005-1401	Resistor	NR	4.00
373a	AG 7005-150K	Resistor T&C	NR	6.75
374	AG 7005-16.9K	Resistor	NR	5.00
374a	AG 7005-169K	Resistor T&C	NR	6.90
375	AG 7005-1859	Resistor	NR	4.00
375a	AG 7005-191K	Resistor T&C	NR	7.10
375b	AG 7005-210K	Resistor T&C	NR	7.50
376	AG 7005-2352	Resistor	NR	4.00
377	AG 7005-2880	Resistor	NR	4.00
378	AG 7005-3K	Resistor	NR	4.00
379	AG 7005-3370	Resistor	NR	4.00

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Item No.	Part No.	Description	Status Code	Unit Price
380	AG 7005-36K	Resistor	NR	\$ 5.00
381	AG 7005-39K	Resistor	NR	5.00
382	AG 7005-4.2K	Resistor	NR	4.00
383	AG 7005-400-ohm	Resistor	NR	4.00
384	AG 7005-4011	Resistor	NR	4.00
385	AG 7005-412/ohm	Resistor	NR	4.00
386	AG 7005-4606	Resistor	NR	4.00
387	AG 7005-5.1K	Resistor	NR	4.75
388	AG 7005-5.5K	Resistor	NR	4.75
389	AG 7005-51K	Resistor	NR	5.40
390	AG 7005-5194	Resistor	NR	4.00
391	AG 7005-576	Resistor	NR	4.00
392	AG 7005-5789	Resistor	NR	4.00
392a	AG 7005-62.4K	Resistor T&C	NR	5.40
393	AG 7005-6430	Resistor	NR	4.00
394	AG 7005-6920	Resistor	NR	4.00
394a	AG 7005-70.2K	Resistor T&C	NR	5.40

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
394b	AG 7005-78K	Resistor T&C	NR	\$ 5.40
395	AG 7005-7941	Resistor	NR	4.00
396	AG 7005-7448	Resistor	NR	4.00
397	AG 7005-800-ohm	Resistor	NR	4.00
398	AG 7005-8399	Resistor	NR	4.00
398a	AG 7005-85.8K	Resistor T&C	NR	5.75
399	AG 7005-8832	Resistor	NR	4.00
399a	AG 7005-93.6K	Resistor T&C	NR	5.75
401	AG 7005-968	Resistor	NR	4.00
402	AG 7005-100K	Resistor	NR	5.75
403	AG 7005-91K	Resistor	NR	5.75
404	AG MS24693-C24	Screw	NR	2.50/c
405	AG MS24693-C4	Screw	NR	2.50/c
406	AG MS51957-28	Screw	NR	2.50/c
407	AG MS51973-33	Screw, Set	NR	3.00
407a	AG 1278014-3	Screw, Fl. Hd.	R	--

SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
409	AG AN505C2R10	Screw, 82° Flt.Hd. .086-56-UNC-2AX.25	NR	\$ 2.50/c
410	AG 2061B	Terminal	NR	2.35/c
411	AG 7717-10NR	Transipad	NR	10.25/c
412	AG 7717-12NR	Transipad	NR	10.25/c
413	AG 7717-15NB	Transipad	NR	8.55/c
414	AG 7717-16NW	Transipad	NR	8.55/c
415	AG 2N1486	Transistor	NR	11.60
416	AG 2N1893	Transistor	NR	1.85
417	AG 2N2419A	Transistor	NR	15.25
418	AG 2N3014	Transistor	NR	6.20
419	AG 2N930	Transistor	NR	4.45
420	AG 2N940	Transistor	NR	16.60
421	AG 40322(RCA)	Transistor	NR	5.50
423	AG MS15795-805	Washer	NR	2.50/c
423a	AG 1278014-5	Washer, Flat	NR	--
	AG			

Item No.	Part No.	Description	Status Code	Unit Price
424	AG JS-2	<u>SCANNER ASSEMBLY</u> Actuator Leaf	NR	\$.35
424a	AG RTV731	Adhesive	NR	5.00
425	AG 1277780-1	Bearing	NR	220.00
426	AG SFR4SS-W4-011	Bearing	NR	7.90
426a	AG 1278692-1	Board, P.C.	NR	5.50
431	AG 1277873-1	Bracket, Aft Bulkhead	NR	220.00
433	AG 1277867-1	Bracket	NR	220.00
433a	AG 9102J	(w/steel Bumper washer)	NR	40.00
435	AG 1277876-1	Bushing, Solenoid	NR	60.00
436	AG 1277870-1	Cam, Micro Sw.	NR	150.00
436a	AG 877-101	Cicoil	NR	41.00
436a-1	AG 106054-331	Clamp, Sync.	NR	1.00
436a-2	AG MS21104C3W	Clamp	NR	1.00
436b	AG1277868-1	Clip, Mirror Lock	NR	48.00
436c	AG A-201-5	Coupling	NR	1.70
437	AG 1277858-1	Cover, Gen. El.	NR	171.00
438	AG 1277861-1	Cover, Tor. Motor El.	NR	325.00

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RET

Item No.	Part No.	Description	Status Code	Unit Price
439	AG TG2108A	Generator	NR	\$ 301.00
440	AG RC87	Grommet	NR	25.00/c
443	AG 1277871-1	Indicator, Az Step	NR	95.00/c
444	AG 1277860-1	Indicator, Caging, El.	NR	150.00
444a	AG KNH0832	Insert	NR	1.75
444b	KNCA10440 AG SPL0440S	Insert	NR	--
444c	AG 1278693-1	Lamp Assy.	NR	126.00
444i	AG 1277855-1	Mirror Assy., Scanner	R	235.00
444e	AG 60FA-256	Nut, Flex Lock	NR	9.10/c
444f	AG MS16210-1	Nut	NR	2.10/c
447	AG 1277877-1	Pin, Caging, Sol.	NR	95.00
447a	AG D4-187	Pin, Dowel	NR	20.50/c
447a-1	AG 1277788-1	Plate, Az. Pot	NR	51.00
448	AG 1277881-1	Pointer, Indicator, Az.	NR	150.00
449	AG SL11-1K	Potentiometer	NR	68.00
449a	AG 1277789-1	Potentiometer Assy., Az.	NR	175.00
450	AG KPT02A-18-30P	Receptacle	NR	13.00

RET

Item No.	Part No.	Description	Status Code	Unit Price
455	AG 1277857-1	Retainer, Rotor	NR	\$ 100.00
456	AG 1277854-1	Retainer, Bearing	NR	100.00
459	AG 1277786-1	Retainer, Az.	NR	95.00
462	AG 1277852-1	Retainer	NR	98.00
462a	AG 1277883-1	Retainer Assy., Indicator	R	94.25
464	AG CS-9	Screw, Set	NR	50.00/c
464a	AG MS16995-10	Screw	NR	3.75/c
464b	AG MS16995-17	Screw	NR	7.00/c
464c	AG MS16995-18	Screw	NR	4.85/c
464d	AG MS16997-33	Screw	NR	8.55/c
464e	AG MS51957-7	Screw	NR	5.85/c
464f	AG MS51957-9	Screw	NR	8.00/c
464g	AG MS51959-17	Screw	NR	3.50/c
464h	AG MS51959-18	Screw	NR	3.50
464j	AG MS51959-19	Screw	NR	3.50
464k	AG MS16995-26	Screw	NR	5.25/c
464m	AG None	Screw, 2-56UNC 3A Soc.Hd.Cap X.125Lg	NR	31.00/c

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
464n	AG None	Screw, 4-40 UNC 3AX Soc.Hd.Cap. .438		\$ 22.50/c
		Lg. Cres.	NR	
446p	AG None	Screw, 4-40 UNC 3AX Soc.Hd. .188 Lg.Cres.	NR	21.80/c
446g	AG None	Screw, Button Hd. Hex Socket, 4-40 UNC 3AX .312 Lg. Cres.	NR	19.75/c
464r	AG None	Screw, Button Hd. Hex 4-40 UNC 3AX .188 Cres.	NR	21.80/c
465	AG 1277859-1	Shaft, Elev.Torq.	NR	225.00
465a	AG None	Screw, 82°, Flt.Hd. Soc.Cap .086-56X .25 Lg.	NR	4.25/c
465b	AG None	Screw, Soc.Hd.Cap. .086-56X.500 Lg.	NR	2.50
465c	AG None	Screw, Soc.Hd.Cap. .086-56X.625 Lg.	NR	31.00/c
465d	AG 1278733-1	Sensor Assy.	NR	140.00
465e	AG 1277650-1	Shaft	NR	125.00
465f	AG 1277853-1	Seal, Bearing	NR	100.00
469	AG 1277863-1	Shutter, Switch	NR	115.00
470	AG 1277879-1	Socket, Cage - Solenoid	NR	220.00

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Item No.	Part No.	Description	Status Code	Unit Price
471	AG 1277949-1	Solenoid M/F(85D818-1)	NR	\$ 255.00
471a	AG 1277882-1	Spacer, Torquer, Az.	NR	100.00
471b	AG B8-10	Spacer	NR	17.00/c
471c	AG B2-3	Spacer	NR	17.00/c
471d	AG 1277960-1	Spacer	NR	100.00
473	AG 1277878-1	Spring, Solenoid	NR	8.55
474	AG 1SM1-T	Switch, Micro	NR	4.50
474a	AG 1277866-1	Switch Photo Assy.	R	1,400.00
474b	AG 103054-331	Synclamp	NR	1.00
476	AG T-2170B	Motor Torque	NR	300.00
477	AG T4445A	Motor Torque	NR	490.00
477a	AG 5714-12-16	Washer, Flat	NR	20.50/c
477b	AG AN960-PD4	Washer, Flat	NR	1.75
478	AG 1277856-1	Weight, Mirror	NR	105.00
478a	AG 1279832-1	Lamp Assy., Self-Test	R	105.00

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
	<u>POWER CONTROL ASSEMBLY</u>			
479	AG 1278113-1	Power Control Assy	R	\$ 1,350.00
480	AG 1278068-1	Base, Pwr.Control	NR	225.00
481	AG 1278066-1	Board Assy., Pwr. Control	R	475.00
482	AG 1278067-1	Board, P.C.	NR	37.00
482a	AG 1278102-1	Board, Printed Wiring	NR	32.00
482b	AG 1278065-1	Board, Assy., Pwr. Control	NR	345.00
483a	AG 1278069-1	Bracket, Heat Sink	NR	94.00
484	AG150D336X9020R2	Capacitor	NR	5.00
485	AG M34P-FSL	Connector	NR	9.75
487	AG 1N4740A	Diode	NR	3.30
488	AG 1N4747A	Diode	NR	3.30
490	AG 1N758A	Diode	NR	1.75
492	AG 1N457	Diode	NR	.80

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Item No.	Part No.	Description	Status Code	Unit Price
493	AG 1278100-1	Insulator	NR	\$ 94.00
494	AG None	Insulator, Mica	NR	3.75
495	AG 1278070-1	Insulator, Thermal	NR	94.00
496	AG 79LH1660-40	Nut	NR	12.00/c
497	AG RN55DXXXXF	Resistor, T&C	NR	2.00
498	AG D-A1A	Relay	NR	32.50
499	AG MS27255-2	Relay	NR	43.85
500	AG 412-26	Relay	NR	46.00
502	AG RC07GF103J	Resistor	NR	.20
503	AG RC07GF200J	Resistor 20/Ohm 1/4W	NR	.20
506	AG RC07GF392J	Resistor	NR	.20
506a	AG CE-1/6-232K- CO-F	Resistor, 232K	NR	3.80
507	AG RN55D1692F	Resistor, 16.9K 1%	NR	1.00
508	AG 995-1A-2.2/Ohm	Resistor, 1.5W	NR	.80
509	AG 995-1A-500	Resistor, 500/Ohm, 1W	NR	.80
509a	AG MS21295-1	Screw	NR	2.50
511	AG MS51957-13	Screw, 4-40NC-2AX Pan Head .38L	NR	2.75/c

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Item No.	Part No.	Description	Status Code	Unit Price
511a	AG 6130-SS-0632	Screw, Captive	NR	\$.85
513	AG 9728-A-0440-10A	Stand-Off	NR	.60
513a	AG 9738-28-A-0440-10A	Stand-off	NR	.60
516	AG 2N3253	Transistor	NR	16.75
520	AG MS35338-135	Washer, #4 Lock S/S	NR	5.15/M
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SPARE PARTS LIST

Item No.	Part No.	Description	Unit Price
	<u>R. F. FILTER ASSEMBLY</u>		
522	AG 1278048-1	Filter, R.F.Assy.	\$ 4,820.00
524	AG 1278049-1	Board, Printed Wiring	44.75
525	AG 1278050-1	Board, Component Assy.	355.00
525a	AG 1278053-1	Bracket, Connector	94.00
527	AG 123	Cap, Male	1.20
528	AG 1278054-1	Clamp, Shield	62.50
529	AG UG290A/U	Connector	1.50
530	AG PT02A-18-30P	Connector	13.05
531	AG PT06A-18-30S(SR)	Connector	19.00
531a	AG 1N746	Diode	3.45
534	AG 1JX98	Filter	9.90
535	AG 2JX47	Filter	9.90
536	AG 5JX118	Filter	19.50
537	AG 5JX94	Filter	32.00
537a	AG 1279194-1	Gasket, RF Filter	62.50
538	AG 1278045-1	Insulator	12.50

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
539b	AG BR12-075B14-26V	Relay	NR	\$ 29.05
540	AG NAS1351C03LL4	Screw	NR	55.75
541	AG RCO7GF104J	Resistor	NR	.20
542	AG RCO7GF204J	Resistor	NR	.20
543	AG RCO7GF300J	Resistor	NR	.20
544	AG RCO7GF303J	Resistor	NR	.20
544a	AG RC20GF162J	Resistor	NR	.20
546	AG RC32GF560J	Resistor	NR	.55
546a	AG RC32GF8R0J	Resistor	NR	.55
547	AG RCO7GF822J	Resistor	NR	.20
548	AG RC32GF821J	Resistor	NR	.55
548a	AG 3/4-TA51-F-S-70	Resistor	NR	117.00/c
549	AG NAS1352C04LLr	Screw	NR	37.00/c
550	AG NAS1352C04LL6	Screw	NR	46.00/c
551	AG J215-186-2A-4	Shield	NR	12.75
551a	AG MS35430-4	Terminal, Lug	NR	.75
	AG			

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Item No.	Part No.	Description	Status Code	Unit Price
	<u>POWER SUPPLY ASSEMBLY</u>			
555	AG 5277A-1	Power Supply	R	\$ 4,275.00
556	AG 5277A-2	Power Supply	R	4,275.00
558	AG 1278077-1	Insulator, Thermal	NR	62.50
559	AG 1278076-1	Insulator, Thermal	NR	62.50
560	AG NAS1352C0811	Screw	NR	1.75
561	AG NAS1352C0611	Screw	NR	1.75
562	AG MS15795-805	Washer, Flat	NR	2.50/c
563	AG MS15795-807	Washer, Flat	NR	2.50/c
564	AG MS35338-137	Washer, Lock	NR	2.50/c
565	AG MS35649-284	Nut	NR	2.50/c
566	AG None	Power Supply Repair Kit	NR	3,420.00
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Item No.	Part No.	Description	Status Code	Unit Price
	<u>CABLE HARNESS ASSEMBLY</u>			
572	AG 1278008-1	Harness Assembly	R	\$ 8,500.00
572a	AG 1278010-1	Buss Bar	NR	94.00
572b	AG DAM-15P	Connector, 15 Pin	NR	5.35
572c	AG DBM-25P	Connector, 25 Pin	NR	8.75
572d	AG DEM-9S	Connector, 9 Pin	NR	5.40
575	AG M34S-SKH	Connector, 14 Pin	NR	13.50
576	AG PTO2-A-14-19S	Connector, 19 Pin	NR	7.95
577	AG PTO2-A-18-30P-SR	Connector, 30 Pin	NR	19.70
578	AG PTO2-A-18-30S	Connector, 30 Pin	NR	14.95
579	AG PTO6A-18-30S	Connector, 30 Pin	NR	16.65
580	AG PT6E-8-4S(SR)	Connector, 4 Pin	NR	7.70
581	AG SRM34-S-M	Connector, 34 Pin	NR	12.20
581a	AG 1278057-1	Connector Assy. 80 Pin	R	125.00
581b	AG 1278013-1	Ground Strap	NR	100.00
581c	AG 109-5727	Keyway	NR	9.00/c
581d	AG MS17322-6A	Meter, Time Totalizing	NR	102.50

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SPARE PARTS LIST

Item No.	Part No.	Description	Status Code	Unit Price
581e	AG Mod "C" 4914	Rheostat, 100 Ohm, 7.5W	NR	\$ 11.50
581f	AG DA50905-1	Shell	NR	2.90
581g	AG DB50906-1	Shell	NR	2.90
581h	AG DE50904-1	Shell	NR	2.90
581j	AG D20419	Screw, Lock	NR	.50
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Item No.	Part No.	Description	Status Code	Unit Price
	<u>HEAT SINK ASSEMBLY</u>			
582	AG 1278072-1	Heat Sink Assy.	R	\$ 415.00
583	AG M14P-FSL	Connectors, Heat Sink	NR	4.75
584	AG 1278073-1	Heat Sink	NR	100.00
584a	AG 1278074-1	Insulator, Thermal	NR	95.00
585	AG 1413-4	Lug, Solder	NR	1.50/C
586	AG None	Nut, 4-40 UNC 2B, Nylon	NR	3.25/C
586a	AG 1278072-3	Plate, Connector	NR	105.00
587	AG 995-10A	Resistor, 2.2 Ohm, 5%, 10W (RI)	NR	1.15
588	AG None	Screw, 4-40 UNC-2AX, 50L. Round Hd. Sltd, Nylon	NR	5.00
588a	AG DC-4	Silicone Compound	NR	3.35
589	AG 4441D	Terminal	NR	.60
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Approved For Release 2001/05/08 : CIA-RDP72B00464R000100020001-2

Approved For Release 2001/05/08 : CIA-RDP72B00464R000100020001-2

EXHIBIT "C"

CONTRACTOR MONTHLY FINANCIAL REPORT

"SERVICE" TYPE CONTRACT

	<u>Prior FY</u>	<u>Current FY</u>
1. Contract Number _____ Task Order No. (If Any) _____		
2. Financial Status as of _____ (Date)		
3. Effective Date of Contract _____		
4. Estimated Completion Date of work authorized	_____	_____
5. Contractor Planned Cumulative Expenditures to Date	_____	_____
6. Cumulative Actual Expenditures to Date	_____	_____
7. Contractor Planned Outstanding Commitments	_____	_____
8. Actual Outstanding Commitments	_____	_____
9. Cumulative Planned Expenditures and Out- standing Commitments to Date (5 + 7)	_____	_____
10. Cumulative Actual Expenditures and Out- standing Commitments to Date (6 + 8)	_____	_____
11. Variance - Lines 9 - 10 (+ or -)	_____	_____
12. Estimate to Complete work Authorized	_____	_____
13. Total Estimated Amount Required to Perform Contract (6 + 12)	_____	_____
14. Contract Funds Allocated	_____	_____
15. Variance - Lines 14 - 13 (+ or -)	_____	_____
16. Total Estimated Price of Spares and AGE Ordered to Date	_____	_____

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"SERVICE" TYPE CONTRACT

CONTRACTOR MONTHLY FINANCIAL REPORT

INSTRUCTIONS FOR COMPLETING

- GENERAL:
- (a) Each Fiscal Year effort which has not been completed should be reported upon.
 - (b) If more than one customer is involved under the same contract, show totals for the contract on the main financial report and attach supporting supplementary reports showing status for each customer.
 - (c) In completing Lines 5 through 16, include proportionate fee or profit, as applicable, in the amounts reported.

1. Contract Number and Task Order Number (If Any)

Letter and Digit series assigned by the Government Contracting Agency to that particular contract.

2. Financial Status as of (Date)

The last day of the period being reported upon.

3. Effective Date of Contract

Self Explanatory

4. Estimated Completion of Work Authorized Date

This date represents the Contractor's estimate of the day on which all services specified under the contract will have been discharged.

5. Contractor Planned Cumulative Expenditures to Date

This figure represents the amount the Contractor had planned to expend against the contract through the period being reported upon.

6. Cumulative Actual Expenditures to Date

Costs incurred by the contractor to date shown on Line 2.

7. Contractor Planned Outstanding Commitments

This figure represents the amount the Contractor had planned to have obligated, in excess of expenditures, as of the last day of the period being reported upon.

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Page Two

8. Actual Outstanding Commitments

This figure represents the actual amount the Contractor has obligated against the particular contract, in excess of expenditures, as of the last day of the period being reported upon.

9. Cumulative Planned Expenditures and Outstanding Commitments to Date

Self Explanatory

10. Cumulative Actual Expenditures and Outstanding Commitments to Date

Self Explanatory

11. Variance

Self Explanatory

12. Estimate to Complete Work Authorized

This figure represents the amount the Contractor expects to expend, from the end of the period being reported upon, to the completion of the contract.

13. Total Estimated Amount Required to Perform Contract

Self Explanatory

14. Contract Funds Allocated

This figure represents the amount of funds made available (allotted or obligated) under the contract, as amended.

15. Variance

Self Explanatory

16. Total Estimated Price of Spares and AGE Ordered to Date

This statistical data is requested if the contract included requirements for spares and/or AGE. The amount should reflect the estimated total price of spares and AGE, both shipped and on order, as of the date shown on Line 2.

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SECRET**GENERAL PROVISIONS****FIXED PRICE RESEARCH AND DEVELOPMENT CONTRACT****INDEX**

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GENERAL PROVISIONS

FIXED PRICE RESEARCH AND DEVELOPMENT CONTRACT

1. **DEFINITIONS.** (Feb. 1962)—As used throughout this contract, the following terms shall have the meanings set forth below:

(a) The term "head of the agency" or "Secretary" means the Secretary, the Under Secretary, any Assistant Secretary, or any other head or assistant head of the executive or military department or other Federal Agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the head of the agency or the Secretary.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

(d) The term "contract work" means all work to be performed under this contract including without limitation any studies covering fundamental, theoretical, or experimental investigations; any extension of the investigative findings and theories of a scientific or technical nature into practical application; any tangible items, hereinafter referred to as "supplies," furnished to the Government; and any reports, data, computations, plans, drawings, and specifications with respect to any of the foregoing. (Oct. 1957)

2. **PAYMENTS.** (Jun. 1959)—The Contractor shall be paid, upon submission of proper invoices or vouchers, the prices stipulated herein for work delivered or rendered and accepted, less deductions, if any, as herein provided. Unless otherwise specified, payment will be made upon acceptance of any portion of the work delivered or rendered for which a price is separately stated in the contract.

3. **STANDARDS OF WORK.** (Jun. 1959)—The Contractor agrees that the performance of work and services pursuant to the requirements of this contract shall conform to high professional standards.

4. **INSPECTION.** (Jun. 1959)—(a) All work under this contract shall be subject to inspection and test by the Government, to the extent practicable, at all times (including the period of performance) and places, and in any event prior to acceptance. The Government through any authorized representative may inspect the premises of the Contractor or any subcontractor engaged in the performance of this contract.

(b) The Government may reject any work that is defective or otherwise not in conformity with the requirements of this contract. If the Contractor fails or is unable to correct or to replace such work, the Contracting Officer may accept such work at a reduction in price which is equitable under the circumstances. Failure to agree on the reduction in price shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(c) If any inspection or test is made by the Government on the premises of the Contractor or a subcontractor, the Contractor shall provide, without additional charge, all reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties. If the Government inspection or test is made at a point other than the premises of the Contractor or subcontractor, it shall be at the expense of the Government. All inspections and tests by the Government shall be performed in such a manner as not unduly to delay the work. Final inspection and acceptance or rejection of the work shall be made as promptly as practicable after delivery except as otherwise provided in this contract; but failure to inspect and accept, or reject the work shall neither relieve the Contractor from responsibility for such of the work as is not in accordance with the contract requirements nor impose liability on the Government therefor.

(d) The inspection and test by the Government of any work shall not relieve the Contractor from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to acceptance. Except as otherwise provided in this contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.

(e) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the work hereunder. Records of all inspection work by the Contractor shall be kept complete and available to the Government during the performance of this contract and for such longer period as may be specified elsewhere in this contract.

5. **ASSIGNMENT OF CLAIMS.** No assignment of claims shall be made under this contract without the prior written approval of the Contracting Officer.

6. **EXAMINATION OF RECORDS.** (Feb. 1962)—(a) The Contractor agrees that the Appropriate Audit representative of the Government shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor, involving transactions related to this contract.

(b) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Appropriate Audit representative of the Government shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in the clause excludes (i) purchase orders not exceeding \$2,500 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

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7. FEDERAL, STATE, AND LOCAL TAXES. (Aug. 1961)—(a) Except as may be otherwise provided in this contract, the contract price includes all applicable Federal, State, and local taxes and duties.

(b) Nevertheless, with respect to any Federal excise tax or duty on the transactions or property covered by this contract, if a statute, court decision, written ruling, or regulation takes effect after the contract date, and—

(1) results in the Contractor being required to pay or bear the burden of any such Federal excise tax or duty or increase in the rate thereof which would not otherwise have been payable on such transactions or property, the contract price shall be increased by the amount of such tax or duty or rate increase, **provided** the Contractor warrants in writing that no amount for such newly imposed Federal excise tax or duty or rate increase was included in the contract price as a contingency reserve or otherwise; or

(2) results in the Contractor not being required to pay or bear the burden of, or in his obtaining a refund or drawback of, any such Federal excise tax or duty which would otherwise have been payable on such transactions or property or which was the basis of an increase in the contract price, the contract price shall be decreased by the amount of the relief, refund, or drawback, or that amount shall be paid to the Government, as directed by the Contracting Officer. The contract price shall be similarly decreased if the Contractor, through his fault or negligence or his failure to follow instructions of the Contracting Officer, is required to pay or bear the burden of, or does not obtain a refund or drawback of, any such Federal excise tax or duty.

(c) No adjustment of less than \$100 shall be made in the contract price pursuant to paragraph (b) above.

(d) As used in paragraph (b) above, the term "contract date" means the date set for bid opening, or if this is a negotiated contract, the contract date. As to additional supplies or services procured by modification to this contract, the term "contract date" means the date of such modification.

(e) Unless there does not exist any reasonable basis to sustain an exemption, the Government upon the request of the Contractor shall, without further liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax; **provided** that, evidence appropriate to establish exemption from any Federal excise tax or duty which may give rise to either an increase or decrease in the contract price will be furnished only at the discretion of the Government.

(f) The Contractor shall promptly notify the Contracting Officer of matters which will result in either an increase or decrease in the contract price, and shall take action with respect thereto as directed by the Contracting Officer.

8. UTILIZATION OF SMALL BUSINESS CONCERNS. (Jan. 1958)—(a) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(b) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

9. DEFAULT. (Jul. 1962)—(a) The Government may, subject to the provisions of paragraph (c) of this clause, by written Notice of Default to the Contractor terminate the whole or any part of this contract in any one of the following circumstances:

(i) if the Contractor fails to perform the work called for by this contract within the time(s) specified herein or any extension thereof; or

(ii) if the Contractor fails to perform any of the other provisions of this contract, or so fails to prosecute the work as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

(b) In the event the Government terminates this contract in whole or in part as provided in paragraph (a) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, work similar to the work so terminated and the Contractor shall be liable to the Government for any excess costs for such similar work; **provided**, that the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(c) Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or service to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule or other performance requirements.

(d) If this contract is terminated as provided in paragraph (a) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer any of the completed or partially completed work not theretofore delivered to, and accepted by, the Government and any other property, including contract rights, specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon the direction of the Contracting Officer, protect and preserve property in the possession of the Contractor in which the Government has an interest. The Government shall pay to the Contractor the contract price, if separately stated, for completed work accepted by the Government and the amount agreed upon by the Contractor and the Contracting Officer for (i) completed work for which no separate price is stated, (ii) partially completed work, (iii) other property described above which is accepted by the Government and, (iv) the protection and preservation of property. Failure to agree shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." The Government may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sum as the Contracting Officer determines to be necessary to protect the Government against loss because of outstanding liens or claims of former lien holders.

(e) If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the Government, be the same as if the notice of termination had been issued pursuant to such clause.

(f) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

10. TERMINATION FOR CONVENIENCE OF THE GOVERNMENT. (Apr. 1966)—(a) The performance of work under this contract may be terminated by the Government in accordance with this clause in whole, or from time to time in part, whenever the Contracting Officer shall determine that such termination is in the best interest of the Government. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective.

(b) After receipt of a Notice of Termination, and except as otherwise directed by the Contracting Officer, the Contractor shall:

(i) stop work under the contract on the date and to the extent specified in the Notice of Termination;

(ii) place no further orders or subcontracts for materials, services or facilities, except as may be necessary for completion of such portion of the work under the contract as is not terminated;

(iii) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;

(iv) assign to the Government, in the manner, at the times, and to the extent directed by the Contracting Officer, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Government shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

(v) settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approved or ratification of the Contracting Officer, to the extent he may require, which approval or ratification shall be final for all the purposes of this clause;

(vi) transfer title and deliver to the Government, in the manner, at the times, and to the extent, if any, directed by the Contracting Officer, (A) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of, the work terminated by the Notice of Termination, and (B) the completed or partially completed plans, drawings, information, and other property which, if the contract had been completed, would have been required to be furnished to the Government;

(vii) use his best efforts to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Contracting Officer, any property of the types referred to in (vi) above; provided, however, that the Contractor (A) shall not be required to extend credit to any purchaser, and (B) may acquire any such property under the conditions prescribed by and at a price or prices approved by the Contracting Officer; and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct;

(viii) complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and

(ix) take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which the Government has or may acquire an interest.

At any time after expiration of the plant clearance period, as defined in Section VIII, Armed Services Procurement Regulation, as it may be amended from time to time, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorized by the Contracting Officer, and may request the Government to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, the Government will accept title to such items and remove them or enter into a storage agreement covering the same; provided, that the list submitted shall be subject to verification by the Contracting Officer upon removal of the items, or if the items are stored, within forty-five (45) days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

(c) After receipt of a Notice of Termination, the Contractor shall submit to the Contracting Officer his termination claim, in the form and with certification prescribed by the Contracting Officer. Such claim shall be submitted promptly but in no event later than one year from the effective date of termination, unless one or more extensions in writing are granted by the Contracting Officer, upon request of the Contractor made in writing within such one year period or authorized extension thereof. However, if the Contracting Officer determines that the facts justify such action, he may receive and act upon any such termination claim at any time after such one year period or any extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Contracting Officer may, subject to any Settlement Review Board approvals required by Section VIII of the Armed Services Procurement Regulation in effect as of the date of execution of this contract, determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.

(d) Subject to the provisions of paragraph (c), and subject to any Settlement Review Board approvals required by Section VIII of the Armed Services Procurement Regulation in effect as of the date of execution of this contract, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid to the Contractor by reason of the total or partial termination of work pursuant to this clause, which amount or amounts may include

a reasonable allowance for profit on work done; provided, that such agreed amount or amounts, exclusive of settlement costs, shall not exceed the total contract price as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated. The contract shall be amended accordingly, and the Contractor shall be paid the agreed amount. Nothing in paragraph (e) of this clause, prescribing the amount to be paid to the Contractor in the event of failure of the Contractor and the Contracting Officer to agree upon the whole amount to be paid to the Contractor by reason of the termination of work pursuant to this clause, shall be deemed to limit, restrict, or otherwise determine or affect the amount or amounts which may be agreed upon to be paid to the Contractor pursuant to this paragraph (d).

(e) In the event of the failure of the Contractor and the Contracting Officer to agree as provided in paragraph (d) upon the whole amount to be paid to the Contractor by reason of the termination of work pursuant to this clause, the Contracting Officer shall, subject to any Settlement Review Board approvals required by Section VIII of the Armed Services Procurement Regulation in effect as of the date of execution of this contract, pay to the Contractor the amounts determined by the Contracting Officer as follows, but without duplication of any amounts agreed upon in accordance with paragraph (d):

(i) for completed supplies accepted by the Government (or sold or acquired as provided in paragraph (b) (vii) above) and not theretofore paid for, a sum equivalent to the aggregate price for such supplies computed in accordance with the price or prices specified in the contract, appropriately adjusted for any saving of freight or other charges;

(ii) the total of—

(A) the costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but exclusive of any costs attributable to supplies paid or to be paid for under paragraph (e)(i) hereof;

(B) the cost of settling and paying claims arising out of the termination of work under subcontracts or orders, as provided in paragraph (b)(v) above, which are properly chargeable to the terminated portion of the contract (exclusive of amounts paid or payable on account of supplies or materials delivered or services furnished by subcontractors or vendors prior to the effective date of the Notice of Termination, which amounts shall be included in the costs payable under (A) above); and

(C) a sum, as profit on (A) above, determined by the Contracting Officer pursuant to 8-303 of the Armed Services Procurement Regulation, in effect as of the date of execution of this contract, to be fair and reasonable; provided, however, that if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, no profit shall be included or allowed under this subdivision (C) and an appropriate adjustment shall be made reducing the amount of the settlement, including accounting, legal, clerical,

(iii) the reasonable costs of settlement, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract and for the termination and settlement of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to this contract.

The total sum to be paid to the Contractor under (i) and (ii) of this paragraph (e) shall not exceed the total contract price as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated. Except for normal spoilage, and except to the extent that the Government shall have otherwise expressly assumed the risk of loss, there shall be excluded from the amounts payable to the Contractor as provided in (e)(i) and (ii)(A) above, the fair value, as determined by the Contracting Officer, of property which is destroyed, lost, stolen, or damaged so as to become undeliverable to the Government, or to a buyer pursuant to paragraph (b)(vii).

(f) Any determination of costs under paragraph (c) or (e) hereof shall be governed by the principles for consideration of costs set forth in Section XV, Part 2, of the Armed Services Procurement Regulation, as in effect on the date of this contract.

(g) The Contractor shall have the right of appeal, under the clause of this contract entitled "Disputes," from any determination made by the Contracting Officer under paragraphs (c) or (e) above, except that if the Contractor has failed to submit his claim within the time provided in paragraph (c) above and has failed to request extension of such time, he shall have no such right of appeal. In any case where the Contracting Officer has made a determination of the amount due under paragraph (c) or (e) above, the Government shall pay to the Contractor the following: (i) if there is no right of appeal hereunder or if no timely appeal has been taken, the amount so determined by the Contracting Officer, or (ii) if an appeal has been taken, the amount finally determined on such appeal.

(h) In arriving at the amount due the Contractor under this clause there shall be deducted (i) all unliquidated advance or other payments on account theretofore made to the Contractor, applicable to the terminated portion of this contract, (ii) any claim which the Government may have against the Contractor in connection with this contract, and (iii) the agreed price for, or the proceeds of sale of, any materials, supplies, or other things acquired by the Contractor or sold, pursuant to the provisions of this clause, and not otherwise recovered by or credited to the Government.

(i) If the termination hereunder be partial, prior to the settlement of the terminated portion of this contract, the Contractor may file with the Contracting Officer a request in writing for an equitable adjustment of the price or prices specified in the contract relating to the continued portion of the contract (the portion not terminated by the Notice of Termination), and such equitable adjustment as may be agreed upon shall be made in such price or prices.

(j) The Government may from time to time, under such terms and conditions as it may prescribe, make partial payments and payments on account against costs incurred by the Contractor in connection with the terminated portion of this contract whenever in the opinion of the Contracting Officer the aggregate of such payments shall be within the amount to which the Contractor will be entitled hereunder. If the total of such payments is in excess of the amount finally agreed or determined to be due under this clause, such excess shall be payable by the Contractor to the Government upon demand, together with interest computed at the rate of 6 percent per annum, for the period from the date such excess payment is received by the Contractor to the date on which such excess is repaid to the Government; provided, however, that no interest shall be charged with respect to any such excess payment attributable to a reduction in the Contractor's claim by reason of retention or other disposition of termination inventory until ten days after the date of such retention or disposition, or such later date as determined by the Contracting Officer by reason of the circumstances.

(k) Unless otherwise provided for in this contract, or by applicable statute, the Contractor, from the effective date of termination and for a period of three years after final settlement under this contract, shall preserve and make available to the Government at all reasonable times at the office of the Contractor but without direct charge to the Government, all his books, records, documents, and other evidence bearing on the costs and expenses of the Contractor under this contract and relating to the work terminated hereunder, or, to the extent approved by the Contracting Officer, photographs, micro-photographs, or other authentic reproductions thereof.

(The following paragraph (l) is applicable only if this contract is subject to Incentive Price Revision)

(l) Insofar as items under this contract are subject to incentive price revision and the total final price for such items has not been established under the incentive price revision clause of this contract, the total contract price shall include, for the purpose of paragraphs (d) and (e) of this clause, the amount which the total final price for such items may not exceed under the incentive price revision clause.

11. DISPUTES. (Jan. 1958)—(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above; provided, that nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

12. BUY AMERICAN ACT. (May 1964)—(a) in acquiring end products, the Buy American Act (41 U.S.C. 10 a-d) provides that the government give preference to domestic source end products. For the purpose of this clause:

(i) "components" means those articles, materials, and supplies, which are directly incorporated in the end products;

(ii) "end products" means those articles, materials, and supplies, which are to be acquired under this contract for public use; and

(iii) a "domestic source end product" means (A) an unmanufactured end product which has been mined or produced in the United States and (B) an end product manufactured in the United States if the cost of the components thereof which are mined, produced, or manufactured in the United States or Canada exceeds 50 percent of the cost of all its components. For the purposes of this (a) (iii) (B), components of foreign origin of the same type or kind as the products referred to in (b) (ii) or (iii) of this clause shall be treated as components mined, produced, or manufactured in the United States.

(b) The Contractor agrees that there will be delivered under this contract only domestic source end products, except end products:

(i) which are for use outside the United States;

(ii) which the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality;

(iii) as to which the Secretary determines the domestic preference to be inconsistent with the public interest; or

(iv) as to which the Secretary determines the cost to the Government to be unreasonable.

(The foregoing requirements are administered in accordance with Executive Order No. 10582, dated December 17, 1954. So as to alleviate the impact of Department of Defense expenditures on the United States balance of international payments, bids, offering domestic source end products normally will be evaluated against bids offering other end products by adding a factor of fifty percent (50%) to the latter, exclusive of import duties. Details of the evaluation procedure are set forth in Section VI of the Armed Services Procurement Regulation.)

13. CONVICT LABOR. (Mar. 1949)—In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

14. WALSH-HEALEY PUBLIC CONTRACTS ACT. (Jan. 1958)—If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed \$10,000 and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U.S.C. 35-45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

15. CONTRACT WORK HOURS STANDARDS ACT—OVERTIME COMPENSATION (June 1964)

This contract, to the extent that it is of a character specified in the Contract Work Hours Standards Act (40 U.S.C. 327-330), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

(a) Overtime requirements. No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek in which he is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in

such workweek on work subject to the provisions of the Contract Work Hours Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

(b) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the provisions of paragraph (a), the Contractor and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph (a) in the sum of \$10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of eight hours or in excess of his standard workweek of forty hours without payment of the overtime wages required by paragraph (a).

(c) Withholding for unpaid wages and liquidated damages. The Contracting Officer may withhold from the Government Prime Contractor, from any moneys payable on account of work performed by the Contractor or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph (b).

(d) Subcontracts. The Contractor shall insert paragraphs (a) through (d) of this clause in all subcontracts, and shall require their inclusion in all subcontracts of any tier.

(e) Records. The Contractor shall maintain payroll records containing the information specified in 29 CFR 516.2(a). Such records shall be preserved for three years from the completion of the contract.

16. EQUAL OPPORTUNITY. (Jan. 1969)

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to the following: Employment, ungrading, demotion, or transfer, recruitment, or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor or pursuant thereto, and will permit access of his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of Paragraph (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interest of the United States.

17. OFFICIALS NOT TO BENEFIT (Jul. 1949)—No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

18. COVENANT AGAINST CONTINGENT FEES. (Jan. 1958)—The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

19. GRATUITIES. (Mar. 1952)—(a) The Government may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such contract; provided, that the existence of the facts upon which the Secretary or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(b) In the event this contract is terminated as provided in paragraph (a) hereof, the Government shall be entitled (i) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor, and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary or his duly authorized representative) which shall be not less than three nor more than ten times the costs incurred by the Contractor in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

20. AUTHORIZATION AND CONSENT. (Jan. 1961)—The Government hereby gives its authorization and consent for all use and manufacture of any invention described in and covered by a patent of the United States in the performance of this contract or any part hereof or any amendment hereto or any subcontract hereunder (including any lower-tier subcontract).

21. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT. (Jan 1965)—The provisions of this clause shall be applicable only if the amount of this contract exceeds \$10,000.

(a) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this contract of which the Contractor has knowledge.

(b) In the event of any claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or services performed hereunder, the Contractor shall furnish to the Government, when requested by the Contracting Officer, all evidence and information in possession of the Contractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Contractor has agreed to indemnify the Government.

(c) This clause shall be included in all subcontracts.

22. PATENT RIGHTS (LICENSE) (Sep. 1968)

(a) Definitions Used in This Clause.

(1) **Subject Invention** means any Invention or discovery, whether or not patentable, conceived or first actually reduced to practice in the course of or under this contract. The term "Subject Invention" includes, but is not limited to, any art, method, process, machine, manufacture, design or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the patent laws of the United States of America or any foreign country.

(2) **Government purpose** means the right of the Government of the United States (including any agency thereof, state or domestic municipal government) to practice and have practiced (make or have made, use or have used, sell or have sold) and Subject Invention throughout the world by or on behalf of the Government of the United States.

(3) **Contract** means any contract, agreement, grant, or other arrangement, or subcontract entered into with or for the benefit of the Government where a purpose of the contract is the conduct of experimental, developmental, or research work.

(4) **Subcontract and subcontractor** mean any subcontract or subcontractor of the Contractor, any lower-tier subcontract or subcontractor under this contract.

(5) **To bring to the point of practical application** means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine or system and, in each case, under such conditions as to establish that the Invention is being worked and that its benefits are reasonably accessible to the public.

(b) Rights Granted to the Government.

(1) The Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, and royalty-free license to practice and have practiced each Subject Invention (made by the Contractor) throughout the world for Government purposes, and including the practice of each such Subject Invention (i) in the manufacture, use, and disposition of any article or material, (ii) in the use of any method, or (iii) in the performance of any service, acquired by or for the Government or with funds derived through the Military Assistance Program of the Government or funds otherwise derived through the Government.

(2) The Contractor further agrees to grant, upon the request of the Government, a license under any Subject Invention (made by the Contractor) to:

(i) any applicant on a nonexclusive, royalty-free basis, unless the Contractor, his licensee, or his assignee demonstrates to the Government, at its request, that effective steps have been taken within three years after a patent issues on such Invention to bring the Invention to the point of practical application or that the Invention has been made available for licensing royalty-free or on terms that are reasonable in the circumstances, or can show cause why the principal or exclusive rights should be retained for a further period of time;

(ii) any applicant royalty-free or on terms that are reasonable in the circumstances to the extent that the Invention is required for public use by governmental regulations or as may be necessary to fulfill health needs, or for other public purposes stipulated in the Schedule of this contract. Nothing contained in this Patent Rights clause shall be deemed to grant any rights with respect to any invention other than a Subject Invention.

(c) **Invention Disclosures and Reports.** With respect to Subject Inventions (made by the Contractor), except those which are obviously unpatentable under the patent laws of the United States, the Contractor shall furnish to the Contracting Officer:

(i) a written disclosure of each such Invention within six (6) months after conception or first actual reduction to practice, whichever occurs first under this contract, sufficiently complete in technical detail to convey to one skilled in the art to which the Invention pertains a clear understanding of the nature, purpose, operation, and to the extent known, the physical, chemical, or electrical characteristics of the Invention, together with a written statement making an election as to whether a United States patent application claiming the Invention will be filed by or on behalf of the Contractor; **provided**, where the Contractor elects to file but is unable to submit a complete disclosure, the Contractor shall within said six (6) months period submit a disclosure which includes all such technical detail then known to him and shall, within six (6) months after his election to file (or such longer period as may be authorized by the Contracting Officer under (d) (i) below, submit all other technical detail necessary to complete the disclosure or a copy of the patent application;

(ii) interim reports at least every twelve (12) months, the initial period of which shall commence with the date of this contract, each report listing all such Inventions conceived or first actually reduced to practice more than six (6) months prior to the date of the report and not listed on a prior interim report, or certifying that there are no such unreported Inventions;

(iii) prior to final settlement of this contract, a final report listing all such Inventions including all those previously listed in interim reports, or certifying that there are no such unreported Inventions (This Final Report and any Interim Report under (ii) above shall be submitted on DD Form 882 or other format acceptable to the Contracting Officer); and

(iv) written reports at reasonable intervals, prior to and after final settlement, when requested by the Government as to

(A) the commercial use that is being made or is intended to be made of such Invention;

(B) the steps taken by the Contractor to bring the Invention to the point of practical application, or to make the Invention available for licensing.

(d) **Domestic Filing.** In connection with each Subject Invention referred to in (c)(i) above:

(i) if the Contractor has elected to file a United States patent application claiming such Invention, the Contractor shall, within six (6) months after the election (or such longer period, not to exceed one (1) year after such election, as may be authorized by the Contracting Officer), file or cause to be filed such application in due form, shall notify the Contracting Officer of such filing, and shall deliver to the Contracting Officer, within two (2) months after such filing or within two (2) months of the first written disclosure of such invention if a patent application previously has been filed, a duly executed license, in triplicate, fully confirmatory of all rights to which the Government is entitled under this clause; if the Contractor does not file or cause to be filed such application, he shall so notify the Contracting Officer within the six (6) month period or such longer period as may be authorized above.

(ii) the following statement shall be included within the first paragraph of the specification of any patent application filed and any patent issued on an invention which was made under a Government contract or subcontract thereunder: "The Invention herein described was made in the course of or under a contract or subcontract thereunder, (or grant) with (*here state the Department or Agency*)."

(iii) if the Contractor has elected not to file or to cause to be filed a United States patent application claiming such Invention, or has made the contrary election but has not filed or caused to be filed such application within six (6) months after the election, or such longer period as may be authorized above, the Contractor shall:

(A) inform the Contracting Officer in writing, as soon as practicable, of the date and identity of any public use, or publication of such Invention made by or known to the Contractor or of any contemplated publication by the Contractor;

(B) upon written request, convey to the Government the Contractor's entire right, title and interest in such Invention by delivering to the Contracting Officer such duly executed instruments (prepared by the Government) of assignment and application, and such other papers as are deemed necessary to vest in the Government the entire right, title, and interest aforesaid, and the right to apply for and prosecute patent applications covering such Invention throughout the world, subject to the reservation of a nonexclusive and royalty-free license to the Contractor (and to his existing and future associated and affiliated companies, if any, within the corporate structure of which the Contractor is a part) which license shall be assignable to the successor of that part of the Contractor's business to which such Invention pertains;

(iv) the Contractor shall furnish promptly to the Contracting Officer on request an irrevocable power of attorney to inspect and make copies of each United States patent application filed by or on behalf of the Contractor covering any such Invention; and

(v) in the event the Contractor, or those other than the Government deriving rights from the Contractor, elects not to continue prosecution of any such United States patent application filed by or on behalf of the Contractor, the Contractor shall so notify the Contracting Officer not less than sixty (60) days before the expiration of the response period and, upon written request, deliver to the Contracting Officer such duly executed instruments (prepared by the Government) as are deemed necessary to vest in the Government the entire right, title, and interest in such Invention and the application, subject to the reservation as specified in paragraph (d)(iii)(B) of this clause;

(e) **Foreign Filing.** The Contractor, or those other than the Government deriving rights from the Contractor, shall as between the parties hereto, have the exclusive right, subject to the rights of the Government under paragraph (b) of this clause, to file applications on Subject Inventions (made by the Contractor) in each foreign country within:

(i) nine (9) months from the date a corresponding United States application is filed, or nine (9) months from the date the Contractor discloses a Subject Invention under paragraph (c)(i) above with an election not to file a United States application;

(ii) six (6) months from the date permission is granted to file foreign applications where such filing had been prohibited for security reasons; or

(iii) such longer period as may be approved by the Contracting Officer.

The Contractor shall notify the Contracting Officer of each foreign application filed and, upon written request of the Contracting Officer, furnish an English translation of such foreign application, and convey to the Government the entire right, title, and interest in each such Subject Invention in each foreign country in which an application has not been filed within the time above specified, subject to the reservation as specified in paragraph (d)(iii)(B) of this clause.

(f) Withholding of Payment.

(1) Final payment under this contract shall not be made before the Contractor delivers to the Contracting Officer the final report required by (c)(iii), all written Invention disclosures required by (c)(i), all confirmatory licenses required by (d)(i), and all information as to subcontracts required by (g).

(2) If at any time before final payment under this contract the Contractor fails to deliver an interim report required by (c)(ii), a written Invention disclosure required by (c)(i), or a confirmatory license required by (d)(i), the Contracting Officer shall withhold from payment \$50,000 or five percent (5%) of the amount of this contract whichever is less (or whatever lesser sum is available if payments have exceeded ninety-five percent (95%) of the amount of this contract) until the Contractor corrects all such failures.

(3) After payments total eighty percent (80%) of the amount of this contract, and if no amount is required to be withheld under (2) above, the Contracting Officer may, if he deems such action warranted because of the Contractor's performance under the Patent Rights clause of this contract or other known Government contracts, withhold from payment such sum as he considers appropriate, not exceeding \$50,000 or five percent (5%), of the amount of this contract, whichever is less, to be held as a reserve until the Contractor delivers all the reports, disclosures, licenses, and information specified in (1) above. Subject to the five percent (5%) or \$50,000 limitation, the sum withheld under this subparagraph (3) may be increased or decreased from time to time at the discretion of the Contracting Officer.

(4) No amount shall be withheld under this paragraph (f) while the amount specified by this paragraph is being withheld under other provisions of this contract. The total amount withheld under (2) and (3) above shall not exceed \$50,000 or five percent (5%) of the amount of this contract whichever is less. The withholding of any amount or subsequent payment thereof to the Contractor shall not be construed as a waiver of any rights accruing to the Government under this contract. This paragraph shall not be construed as requiring the Contractor to withhold any amounts from a subcontractor to enforce compliance with the patent provision of a subcontract. As used in this paragraph (f), "this contract" means "this contract as from time to time amended." In cost-type contracts, "amount of this contract" means "estimated cost of this contract."

(g) Subcontracts.

(1) The Contractor shall, unless otherwise authorized or directed by the Contracting Officer, include a patent rights clause containing all of the provisions of this Patent Rights clause except provision (f) in any subcontract hereunder where a purpose of the subcontract is the conduct of experimental, developmental, or research work. In the event of refusal by a subcontractor to accept this Patent Rights clause, or if in the opinion of the Contractor this Patent Rights clause is inconsistent with the policy set forth in ASPR 9-107.2 and 9-107.3, the Contractor:

(i) shall promptly submit a written report to the Contracting Officer setting forth the subcontractor's reason for such refusal or the reasons the Contractor is of the opinion that the inclusion of this clause would be so inconsistent, and other pertinent information which may expedite disposition of the matter; and

(ii) shall not proceed with the subcontract without the written authorization of the Contracting Officer.

The Contractor shall not, in any subcontract or by using such a subcontract as consideration therefor, acquire any rights to Subject Inventions for his own use (as distinguished from such rights as may be required solely to fulfill his contract obligations to the Government in the performance of this contract). Reports, instruments, and other information required to be furnished by a subcontractor to the Contracting Officer under the provisions of such a patent rights clause in a subcontract hereunder may, upon mutual consent of the Contractor and the subcontractor (or by direction of the Contracting Officer) be furnished to the Contractor for transmission to the Contracting Officer.

(2) The Contractor, at the earliest practicable date, shall also notify the Contracting Officer in writing of any subcontract containing a patent rights clause, furnish to the Contracting Officer a copy of such subcontract, and notify him when such subcontract is completed. It is understood that the Government is a third party beneficiary of any subcontract clause granting rights to the Government in Subject Inventions, and the Contractor hereby assigns to the Government all the rights that he would have to enforce the subcontractor's obligations for the benefit of the Government with respect to Subject Inventions. If there are no subcontracts containing patent rights clauses, a negative report is required. The Contractor shall not be obligated to enforce the agreements of any subcontractor hereunder relating to the obligations of the subcontractor to the Government in regard to Subject Inventions.

(h) **Licenses Granted by Contractor to Others Subject to Government's Rights.** The Contractor recognizes that the Government, or a foreign government with funds derived through the Military Assistance Program or otherwise through the United States Government, may contract for property or services with respect to which the vendor may be liable to the Contractor for royalties for the use of a Subject Invention on account of such a contract. The Contractor further recognizes that it is the policy of the Government not to pay in connection with its contracts, or to allow to be paid in connection with contracts made with funds derived through the Military Assistance Program or otherwise through the United States Government, charges for use of patents in which the Government holds a royalty-free license. In recognition of this policy, the Contractor agrees to participate in and make appropriate arrangements for the exclusion of such charges from such contracts or for the refund of amounts received by the Contractor with respect to any such charges not so excluded.

(i) **Rights to Disclose Subject Inventions.** The Government may duplicate and disclose reports and disclosures of Subject Inventions required to be furnished by the Contractor or a subcontractor pursuant to this Patent Rights clause.

(j) **Forfeiture of Rights in Unreported Subject Inventions.** The Contractor shall forfeit to the Government all rights in any Subject Invention which he fails to report to the Contracting Officer at or prior to the time he (i) files or causes to be filed a United States or foreign application thereon, or (ii) submits the final report required by (c)(iii) of this clause, whichever is later, **provided**, that the Contractor shall not forfeit rights in a Subject Invention if (A) contending that the invention is not a Subject Invention, he nevertheless reports the invention and all pertinent to his contention to the Contracting Officer within the time specified in (i) or (ii) above, or (B) he establishes that the failure to report was due entirely to causes beyond his control and without his fault or negligence. The Contractor shall be deemed to hold any such forfeited Subject Invention, and the patent applications and patents pertaining thereto, in trust for the Government pending written assignment of the invention. The rights accruing to the Government under this paragraph shall be in addition to and shall not supersede any other rights which the Government may have in relation to unreported Subject Inventions. Nothing contained herein shall be construed to require the Contractor to report any invention which is not in fact a Subject Invention.

(k) **Examination of Records Relating to Inventions.** The Contracting Officer or his authorized representative shall, until the expiration of three (3) years after final payment under this contract, have the right to examine any books, records, documents, and other supporting data of the Contractor which the Contracting Officer or his authorized representative shall reasonably deem directly pertinent to the discovery or identification of Subject Inventions or to compliance by the Contractor with the requirements of this clause.

23. RIGHTS IN TECHNICAL DATA (Feb. 1965)

(a) Definitions.

(1) **Technical Data**, as used in this clause, means technical writings, sound recordings, pictorial reproductions, drawings, or other graphic representations and works of a technical nature, whether or not copyrighted, which are specified to be delivered pursuant to this contract. The term does not include financial reports, cost analyses, and other information incidental to contract administration.

(2) **Limited Rights** means rights to use, duplicate, and disclose technical data in whole or in part, by or for the Government, with the express limitation that such data may not be released outside the Government, used, duplicated, or disclosed in whole or in part, for manufacture or procurement, except for:

(i) emergency repair or overhaul work by or for the Government where the item or process concerned is not otherwise reasonably available to enable timely performance of the work; and

(ii) release to a foreign government as the interests of the United States may require;
provided, in either case, that the release of such data shall be subject to the limitations of this paragraph (2).

(3) **Unlimited Rights** means rights to use, duplicate or disclose technical data, in whole or in part, in any manner and for any purpose whatsoever, and to have or permit others to do so.

(b) Government Rights.

(1) The Government shall have unlimited rights in:

(i) technical data resulting directly from performance of experimental, developmental or research work which was specified as an element of performance in this or any other Government contract or subcontract;

(ii) technical data necessary to enable manufacture of end-items, components and modifications, or to enable the performance of processes, when the end-items, components, modifications or processes have been, or are being, developed under this or any other Government contract or subcontract in which experimental, developmental or research work is, or was specified as an element of contract performance, **except** technical data pertaining to items, components or processes developed at private expense (but see (2)(ii) below);

(iii) technical data constituting corrections or changes to Government-furnished data;

(iv) technical data pertaining to end-items, components or processes which was prepared for the purpose of identifying sources, size, configuration, mating and attachment characteristics, functional characteristics and performance requirements ("form, fit and function" data, e.g., specification control drawings, catalog sheets, envelope drawings, etc.);

(v) manuals or instructional materials prepared for installation, operation, maintenance or training purposes;

(vi) other technical data which has been, or is normally furnished without restriction by the Contractor or subcontractor; and

(vii) technical data listed or described in an agreement incorporated into the Schedule of this contract, which the parties have predetermined, on the basis of subparagraphs (i) through (vi) above, and agreed will be furnished with unlimited rights.

(2) The Government shall have limited rights in:

(i) technical data, listed or described in an agreement incorporated into the Schedule of this contract, which the parties have agreed will be furnished with limited rights; and

(ii) technical data pertaining to items, components or processes developed at private expense, other than such data as may be included in the data referred to in (b)(1)(i), (iii), (iv), (v), and (vi);
provided, that each piece of data to which limited rights are to be asserted pursuant to (2)(i) and (ii) above is marked with the following legend in which is inserted the number of the prime contract under which the technical data is to be delivered and the name of the Contractor or subcontractor by whom the technical data was generated:

"Furnished under United States Government Contract No. Shall not be either released outside the Government, or used, duplicated, or disclosed in whole or in part for manufacture or procurement, without the written permission of, except for: (i) emergency repair or overhaul work by or for the Govern-

ment, where the item or process concerned is not otherwise reasonably available to enable timely performance of the work; or (ii) release to a foreign government, as the interests of the United States may require; provided that in either case the release, use, duplication or disclosure hereof shall be subject to the foregoing limitations. This legend shall be marked on any reproduction hereof in whole or in part."

No legend shall be marked on, nor shall any limitation on rights of use be asserted as to, any data which the Contractor has previously delivered to the Government without restriction. The limited rights provided for by this paragraph (b)(2) shall not impair the right of the Government to use similar or identical data acquired from other sources.

(c) **Material Covered by Copyright.**

(1) Notwithstanding the provisions of (b) above, the Contractor agrees to and does hereby grant to the Government, and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, nonexclusive and irrevocable license throughout the world for Government purposes to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all technical data now or hereafter covered by copyright.

(2) No such copyrighted matter shall be included in technical data furnished hereunder without the written permission of the copyright owner for the Government to use such copyrighted matter in the manner described above.

(3) The Contractor shall report to the Government (or higher-tier Contractor) promptly and in reasonable written detail each notice or claim of copyright infringement received by the Contractor with respect to any technical data delivered hereunder.

(d) **Removal of Unauthorized Markings.** Notwithstanding any provisions of this contract concerning inspection and acceptance, the Government may modify, remove, obliterate, or ignore any marking not authorized by the terms of this contract on any technical data furnished hereunder, if—

(i) the Contractor fails to respond within sixty (60) days to a written inquiry by the Government concerning the propriety of the use of the marking, or

(ii) the Contractor's response fails to substantiate his contention that the use of the marking is authorized, in which case the Government shall give written notice to the Contractor.

(e) **Relation to Patents.** Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

(f) **Limitation on Charges for Data.** The Contractor recognizes that the Government, or a foreign government with funds derived through the Military Assistance Program or otherwise through the United States Government, may contract for property or services with respect to which the vendor may be liable to the Contractor for charges for the use of technical data on account of such a contract. The Contractor further recognizes that it is the policy of the Government not to pay in connection with its contracts, or to allow to be paid in connection with contracts made with funds derived through the Military Assistance Program or otherwise through the United States Government, charges for data which the Government has a right to use and disclose to others, which is in the public domain, or which the Government has been given without restrictions upon its use and disclosure to others. This policy does not apply to reasonable reproduction, handling, mailing, and similar administrative costs incident to the furnishing of such data. In recognition of this policy, the Contractor agrees to participate in and make appropriate arrangements for the exclusion of such charges from such contracts, or for the refund of amounts received by the Contractor with respect to any such charges not so excluded.

(g) **Acquisition of Data from Subcontractors.**

(1) Whenever any technical data is to be obtained from a subcontractor under this contract, the Contractor shall use this same clause in the subcontract, without alteration, and no other clause shall be used to enlarge or diminish the Government's or the Contractor's rights in that subcontractor data which is required for the Government.

(2) Technical data required to be delivered by a subcontractor shall normally be delivered to the next higher-tier Contractor. However, when there is a requirement in the prime contract, or in the deferred order, for data which may be supplied with limited rights pursuant to (b)(2) above, a subcontractor may fulfill such requirement by submitting such data directly to the Government rather than through the prime Contractor.

(3) The Contractor and higher-tier subcontractors will not use their power to award subcontracts as economic leverage to acquire rights in data from their subcontractors for themselves.

24. MILITARY SECURITY REQUIREMENTS. (Apr. 1966)—(a) The provisions of this clause shall apply to the extent that this contract involves access to information classified "Confidential" including "Confidential—Modified Handling Authorized" or higher.

(b) The Government shall notify the Contractor of the security classifications of this contract and the elements thereof, and of any subsequent revisions in such security classification, by the use of a Security Requirements Check List (DD Form 254), or other written notification.

(c) To the extent the Government has indicated as of the date of this contract or thereafter indicates security classification under this contract as provided in paragraph (b) above, the Contractor shall safeguard all classified elements of this contract and shall provide and maintain a system of security controls within his own organization in accordance with the requirements of—

(i) the Security Agreement (DD Form 441), including the Department of Defense Industrial Security Manual for Safeguarding Classified Information as in effect on the date of this contract, and any modification to the Security Agreement for the purpose of adapting the Manual to the Contractor's business; and

(ii) any amendments to said Manual made after the date of this contract, notice of which has been furnished to the Contractor by the Security Office of the Military Department having security cognizance over the facility.

(d) Representatives of the Military Department having security cognizance over the facility and representatives of the contracting Military Department shall have the right to inspect at reasonable intervals the procedures, methods, and facilities utilized by the Contractor in complying with the security requirements under this contract. Should the Government, through these representatives, determine that the Contractor is not complying with the security requirements of this contract the Contractor shall be informed in writing by the Security Office of the cognizant Military Department of the proper action to be taken in order to effect compliance with such requirements.

(e) If, subsequent to the date of this contract, the security classifications or security requirements under this contract are changed by the Government as provided in this clause and the security costs or time required for delivery under this contract are thereby increased or decreased, the contract price, delivery schedule, or both and any other provision of the contract that may be affected shall be subject to an equitable adjustment by reason of such increased or decreased costs. Any equitable adjustment shall be accomplished in the same manner as if such changes were directed under the "Changes" clause in this contract.

(f) The Contractor agrees to insert, in all subcontracts hereunder which involve access to classified information, provisions which shall conform substantially to the language of this clause, including this paragraph (f) but excluding the last sentence of paragraph (e) of this clause.

(g) The Contractor also agrees that he shall determine that any subcontractor proposed by him for the furnishing of supplies and services which will involve access to classified information in the Contractor's custody has been granted an appropriate facility security clearance, which is still in effect, prior to being accorded access to such classified information.

25. UTILIZATION OF CONCERNS IN LABOR SURPLUS AREAS. (Nov. 1967)—It is the policy of the Government to place contracts with concerns which will perform such contracts substantially in areas of persistent or substantial labor surplus where this can be done, consistent with the efficient performance of the contract, at prices no higher than are obtainable elsewhere. The Contractor agrees to use his best efforts to place his subcontracts in accordance with this policy. In complying with the foregoing and with paragraph (b) of the clause of this contract entitled "Utilization of Small Business Concerns," the Contractor in placing his subcontracts shall observe the following order of preference: (i) persistent labor surplus area concerns which are also small business concerns; (ii) other persistent labor surplus area concerns; (iii) substantial labor surplus area concerns which are also small business concerns; (iv) other substantial labor surplus area concerns; and (v) small business concerns which are not labor surplus area concerns.

26. FILING OF PATENT APPLICATIONS. (Oct. 1966)

(a) Before filing or causing to be filed a patent application in the United States disclosing any subject matter of this contract, which subject matter is classified "Secret" or higher, the Contractor shall, citing the thirty (30) day provision below, transmit the proposed application to the Contracting Officer for determination whether, for reasons of national security, such application should be placed under an order of secrecy or sealed in accordance with the provisions of 35 U.S.C. 181-188 or the issuance of a patent should be otherwise delayed under pertinent United States statutes or regulations; and the Contractor shall observe any instructions of the Contracting Officer with respect to the manner of delivery of the patent application to the United States Patent Office for filing, but the Contractor shall not be denied the right to file such patent application. If the Contracting Officer shall not have given any such instructions within thirty (30) days from the date of mailing or other transmittal of the proposed application, the Contractor may file the application.

(b) The Contractor shall furnish to the Contracting Officer, at the time of or prior to the time when the Contractor files or causes to be filed a patent application in the United States disclosing any subject matter of this contract, which subject matter is classified "Confidential," a copy of such application for determination whether, for reasons of national security, such application should be placed under an order of secrecy or the issuance of a patent should be otherwise delayed under pertinent United States statutes or regulations.

(c) Where the subject matter of this contract is classified for reasons of security, the Contractor shall not file, or cause to be filed in any country, other than in the United States as provided in (a) and (b) of this clause, an application or registration for a patent containing any of said subject matter without first obtaining written approval of the Contracting Officer.

(d) When filing any patent application coming within the scope of this clause, the Contractor shall observe all applicable security regulations covering the transmission of classified subject matter, and shall also promptly furnish to the Contracting Officer the serial number, filing date, and name of country of any such patent application. When transmitting the application to the United States Patent Office, the contractor shall by separate letter identify by agency and number the contract or contracts which require security classification markings to be placed on the application.

27. PRIORITIES, ALLOCATIONS, AND ALLOTMENTS. (Jan. 1961)—The Contractor shall follow the provisions of DMS Regulation 1 and all other applicable regulations and orders of the Business and Defense Services Administration in obtaining controlled materials and other products and materials needed to fill this order.

28. GOVERNMENT PROPERTY (FIXED PRICE) (Apr. 1968)

(a) **Government-Furnished Property.** The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described as Government-furnished property in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property suitable for use (except for such property furnished "as is") will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay, if any, occasioned the Contractor thereby, and shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by any such delay, in accordance with the procedures provided for in the clause of this contract entitled "Changes." Except for Government-furnished property furnished "as is," in the event the Government-furnished property is received by the Contractor in a condition not suitable for the intended use the Contractor shall, upon receipt thereof, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property at the Government's expense or otherwise dispose of the property, or (ii) effect repairs or modifications. Upon the completion of (i) or (ii) above, the Contracting Officer upon written request of

the Contractor shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by the rejection or disposition, or the repair or modification, in accordance with the procedures provided for in the clause of this contract entitled "Changes." The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.

(b) Changes in Government-furnished Property.

(1) By notice in writing, the Contracting Officer may (i) decrease the property provided or to be provided by the Government under this contract, or (ii) substitute other Government-owned property for property to be provided by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of property covered by such notice.

(2) In the event of any decrease in or substitution of property pursuant to subparagraph (1) above, or any withdrawal of authority to use property provided under any other contract or lease, which property the Government had agreed in the Schedule to make available for the performance of this contract, the Contracting Officer, upon the written request of the Contractor (or, if the substitution of property causes a decrease in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be affected by the decrease, substitution, or withdrawal, in accordance with the procedures provided for in the "Changes" cause of this contract.

(c) Title. Title to all property furnished by the Government shall remain in the Government. In order to define the obligations of the parties under this clause, title to each item of facilities, special test equipment, and special tooling (other than that subject to a "Special Tooling" clause) acquired by the Contractor for the Government pursuant to this contract shall pass to and vest in the Government when its use in the performance of this contract commences, or upon payment therefor by the Government, whichever is earlier, whether or not title previously vested. All Government-furnished property, together with all property acquired by the Contractor title to which vests in the Government under this paragraph, is subject to the provisions of this clause and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personally by reason of affixation to any realty.

(d) Property Administration. The Contractor shall comply with the provisions of Appendix B, Armed Services Procurement Regulation, as in effect on the date of the contract, which is hereby incorporated by reference and made a part of this contract. Material to be furnished by the Government shall be ordered or returned by the Contractor, when required, in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MILSTRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation) as in effect on the date of this contract, which Manual is hereby incorporated by reference and made a part of this contract.

(e) Use of Government Property. The Government property shall, unless otherwise provided herein or approved by the Contracting Officer, be used only for the performance of this contract.

(f) Maintenance and Repair of Government Property. The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the maintenance, repair, protection, and preservation of Government property, until disposed of by the Contractor in accordance with this clause. In the event that any damage occurs to Government property the risk of which has been assumed by the Government under this contract, the Government shall replace such items or the Contractor shall make such repair of the property as the Government directs; provided, however, that if the Contractor cannot effect such repair within the time required, the Contractor shall dispose of such property in the manner directed by the Contracting Officer. The contract price includes no compensation to the Contractor for the performance of any repair or replacement for which the Government is responsible, and an equitable adjustment will be made in any contractual provisions affected by such repair or replacement of Government property made at the direction of the Government, in accordance with the procedures provided for in the "Changes" clause of this contract. Any repair or replacement for which the Contractor is responsible under the provisions of this contract shall be accomplished by the Contractor at his own expense.

(g) Risk of Loss.

(1) Except for loss, destruction or damage resulting from a failure of the Contractor due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel as defined herein, to maintain and administer the program for the maintenance, repair, protection and preservation of the Government property as required by paragraph (f) hereof, and except as specifically provided in the clause or clauses of this contract designated in the Schedule, the Contractor shall not be liable for loss or destruction of or damage to the Government property provided under this contract:

(i) caused by any peril while the property is in transit off the Contractor's premises; or

(ii) caused by any of the following perils while the property is on the Contractor's or subcontractor's premises, or on any other premises where such property may properly be located, or by removal therefrom because of any of the following perils—

(A) fire; lightning, windstorm, cyclone, tornado, hail; explosion; riot, riot attending a strike, civil commotion; vandalism and malicious mischief; sabotage; aircraft or objects falling therefrom; vehicles running on land or tracks; excluding vehicles owned or operated by the Contractor or any agent or employee of the Contractor; smoke; sprinkler leakage; earthquake or volcanic eruption; flood, meaning thereby rising of a body of water; nuclear reaction, nuclear radiation or radioactive contamination; hostile or warlike action, including action in hindering, combating, or defending against an actual, impending or expected attack by any government or sovereign power (de jure or de facto), or by any authority using military, naval, or air forces; or by an agent of any such government, power, authority, or forces; or

(B) other peril, of a type not listed above, if such other peril is customarily covered by insurance (or by a reserve for self-insurance) in accordance with the normal practice of the Contractor, or the prevailing practice in the industry in which the Contractor is engaged with respect to similar property in the same general locale. The perils as set forth in (i) and (ii) above are hereinafter called "excepted perils."

If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of or damage to the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of or damage to the property while in the latter's possession or control, except to the extent that the subcontract, with the prior approval of the Contracting Officer, provides for the relief of the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of the prime contract.

The term "Contractor's managerial personnel" as used herein means the Contractor's directors, officers and any of his managers, superintendents, or other equivalent representatives who have supervision or direction of:

- (i) all or substantially all of the Contractor's business;
- (ii) all or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed; or
- (iii) a separate and complete major industrial operation in connection with the performance of this contract.

(2) The Contractor represents that he is not including in the price hereunder, and agrees that he will not hereafter include in any price to the Government, any charge or reserve for insurance (including any self-insurance funds or reserve) covering loss or destruction of or damage to the Government property caused by any excepted peril.

(3) Upon the happening of loss or destruction of or damage to any Government property caused by an excepted peril, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has directed that no such organization be employed), shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of:

- (i) the lost, destroyed, and damaged Government property;
- (ii) the time and origin of the loss, destruction, or damage;
- (iii) all known interests in commingled property of which the Government property is a part; and
- (iv) the insurance, if any, covering any part of or interest in such commingled property.

The Contractor shall be entitled to an equitable adjustment in the contract price for the expenditures made by him in performing his obligations under this subparagraph (3) (including charges made to the Contractor by the Loss and Salvage Organization, except any of such charges the payment of which the Government has, at its option, assumed directly), in accordance with the procedures provided for in the "Changes" clause of this contract.

(4) With the approval of the Contracting Officer after loss or destruction of or damage to Government property, and subject to such conditions and limitations as may be imposed by the Contracting Officer, the Contractor may, in order to minimize the loss to the Government or in order to permit resumption of business or the like, sell for the account of the Government any item of Government property which has been damaged beyond practicable repair, or which is so commingled or combined with property of others, including the Contractor, that separation is impracticable.

(5) Except to the extent of any loss or destruction of or damage to Government property for which the Contractor is relieved of liability under the foregoing provisions of this clause, and except for reasonable wear and tear or depreciation, or the utilization of the Government property in accordance with the provisions of this contract, the Contractor assumes the risk of, and shall be responsible for, any loss or destruction of or damage to the Government property, and such property (other than that which is permitted to be sold) shall be returned to the Government in as good condition as when received by the Contractor in connection with this contract, or as repaired under paragraph (f) above.

(6) In the event the Contractor is reimbursed or compensated for any loss or destruction of or damage to the Government property, caused by an excepted peril, he shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of or damage to the Government property, the Contractor shall enforce the liability of the subcontractor for such loss or destruction of or damage to the Government property for the benefit of the Government.

(7) If this contract is for the development, production, modification, maintenance or overhaul of aircraft, or otherwise involves the furnishing of aircraft by the Government, the "Ground and Flight Risk" clause of this contract shall control, to the extent it is applicable, in the case of loss or destruction of, or damage to, aircraft.

29. NOTICE TO THE GOVERNMENT OF LABOR DISPUTES. (Sep. 1958)—(a) Whenever the Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, the Contractor shall immediately give notice thereof, including all relevant information with respect thereto, to the Contracting Officer.

(b) The Contractor agrees to insert the substance of this clause, including this paragraph (b), in any subcontract hereunder as to which a labor dispute may delay the timely performance of this contract; except that each such subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify his next higher tier subcontractor, or the prime contractor, as the case may be, of all relevant information with respect to such dispute.

30. LIMITATION ON WITHHOLDING OF PAYMENTS. (Sep. 1958)—If more than one clause or Schedule provision of this contract authorizes the temporary withholding of amounts otherwise payable to the Contractor for supplies delivered or

services performed, the total of the amounts so withheld at any one time shall not exceed the greatest amount which may be withheld under any one such clause or Schedule provision at that time; provided, that this limitation shall not apply to—

- (i) withholdings pursuant to any clause relating to wages or hours of employees;
- (ii) withholdings not specifically provided for by this contract; and
- (iii) the recovery of overpayments.

31. INTEREST. (May 1968)—Notwithstanding any other provision of this contract, unless paid within 30 days all amounts that become payable by the Contractor to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code) shall bear interest at the rate of six percent per annum from the date due until paid and shall be subject to adjustments as provided by Party 6 of Appendix E of the Armed Services Procurement Regulation, as in effect on the date of this contract. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this contract; (ii) the date of the first written demand for payment, consistent with this contract, including demand consequent upon default termination; (iii) the date of transmittal by the Government to the Contractor of a proposed supplemental agreement to confirm completed negotiations fixing the amount; or (iv) if this contract provides for revision of prices, the date of written notice to the Contractor stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by contract supplement.

32. COMPETITION IN SUBCONTRACTING. (Apr. 1962)—Applicable only if this is a negotiated contract over \$10,000.00. The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

33. CHANGES. (June 1965)—The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes, within the general scope of this contract, in any one or more of the following: (i) drawings, designs, or specifications, (ii) method of shipment or packing; and (iii) place of inspection, delivery, or acceptance. If any such change causes an increase or decrease in the cost of, or the time required for performance of, this contract, or otherwise affects any other provisions of this contract, whether changed or not changed by any such order, an equitable adjustment shall be made (i) in the contract price or time of performance, or both, and (ii) in such other provisions of the contract as may be so affected, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within sixty (60) days from the date of receipt by the Contractor of the notification of change; provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

34. DATA—WITHHOLDING OF PAYMENT. (Apr. 1965)—(This Clause is applicable only if this contract is in excess of \$10,000.00.) If "Technical Data" (as defined in the clause of this contract entitled "Rights of Technical Data"), or any part thereof, is not delivered within the time specified by this contract or is deficient upon delivery (including having restrictive markings not specifically authorized by this contract), the Contracting Officer may, until such data is delivered or deficiencies are corrected, withhold payment to the Contractor of ten percent (10%) of the contract price unless a lesser withholding is specified in the schedule. Payments shall not be withheld nor any other action taken pursuant to this clause where the Contractor's failure to make timely delivery or to deliver data without deficiencies arises out of causes beyond the control and without the fault or negligence of the Contractor within the meaning of the clause hereof entitled "Default." The withholding of any amount or subsequent payment thereof to the Contractor shall not be construed as a waiver of any rights accruing to the Government under this contract.

35. SUBCONTRACTS. (Apr. 1967). If this contract provides for price redetermination, or contains incentive provisions, the following provisions shall apply to subcontracts:

- (a) As used in this clause, the term "subcontract" includes purchase orders.
- (b) The Contractor shall notify the Contracting Officer reasonably in advance of entering into any subcontract if the Contractor's procurement system has not been approved by the Contracting Officer and if the subcontract:
 - (i) is to be a cost-reimbursement, time and materials, or labor-hour contract which it is estimated will involve an amount in excess of ten thousand dollars (\$10,000) including any fee;
 - (ii) is proposed to exceed one hundred thousand dollars (\$100,000); or
 - (iii) is one of a number of subcontracts, under this contract, with a single subcontractor for the same or related supplies or services which, in the aggregate, are expected to exceed one hundred thousand dollars (\$100,000).
- (c) The advance notification required by paragraph (b) above shall include:
 - (i) a description of the supplies or services to be called for by the subcontract;
 - (ii) identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the competition obtained;
 - (iii) the proposed subcontract price, together with the Contractor's cost or price analysis thereof;
 - (iv) the subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, when such data and certificates are required by other provisions of this contract to be obtained from the subcontractor; and
 - (v) identification of the type of subcontract to be used.

(d) The Contractor shall not enter into any subcontract for which advance notification to the Contracting Officer is required by this clause, without the prior written consent of the Contracting Officer; provided that the Contracting Officer, in his discretion, may ratify in writing any subcontract. Such ratification shall constitute the consent of the Contracting Officer required by this paragraph.

(e) Neither consent by the Contracting Officer to any subcontract or any provisions thereof nor approval of the Contractor's procurement system shall be construed to be a determination of the acceptability of any subcontract price or of any amount paid under any subcontract or to relieve the Contractor of any responsibility for performing this contract, unless such approval or consent specifically provides otherwise.

(f) The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

36. RESPONSIBILITY FOR SUPPLIES. (Jan. 1958) (If this contract is for the delivery of end items other than designs, drawings, or reports the following clause shall be applicable.) Except as otherwise provided in this contract, (i) the Contractor shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; (ii) after delivery to the Government at the designated point and prior to acceptance by the Government or rejection and giving notice thereof by the Government, the Government shall be responsible for the loss or destruction of or damage to the supplies only if such loss, destruction, or damage results from the negligence of officers, agents, or employees of the Government acting within the scope of their employment; and (iii) the Contractor shall bear all risks as to rejected supplies after notice of rejection, except that the Government shall be responsible for the loss, or destruction of, or damage to the supplies only if such loss, destruction or damage results from the gross negligence of officers, agents, or employees of the Government acting within the scope of their employment.

37. DEFERRED ORDERING OF TECHNICAL DATA (May 1964) The Government shall have the right to order, at any time during the performance of this contract, or within two (2) years from either acceptance of all items (other than data) to be delivered under this contract or termination of this contract, whichever is later, any data called for in the Schedule of this contract, and the Contractor shall promptly prepare and deliver such data as is ordered. However, the Contractor shall be relieved of the obligation to furnish data pertaining to an item obtained from a subcontractor upon the expiration of two (2) years from the date he accepts the item. When the data is delivered, payment shall be made, by equitable adjustment or otherwise, for converting the data into the prescribed form, reproducing it, and preparing it for delivery. Such payment shall not be included in the application of any incentive pricing formula.

38. SUSPENSION OF WORK. (Apr. 1966)—(a) The Contracting Officer may order the Contractor in writing to suspend, delay or interrupt all or any part of the work for such period of time as he may determine to be appropriate for the convenience of the Government.

(b) If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted by an act of the Contracting Officer in the administration of this contract, or by his failure to act within the time specified in this contract (or if no time is specified within a reasonable time), an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) necessarily caused by such unreasonable suspension, delay, or interruption and the contract modified in writing accordingly. Adjustment shall also be made in the delivery or performance dates and any other contractual provision affected by such suspension, delay, or interruption. However, no adjustment shall be made for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause including the fault or negligence of the Contractor. Also no adjustment shall be made under this clause for any suspension, delay, or interruption for which an equitable adjustment is provided for or excluded under any other provision of this contract.

(c) No claim under this clause shall be allowed (i) for any costs incurred more than twenty days before the Contractor shall have notified the Contracting Officer in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order), and (ii) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension, delay, or interruption, but not later than the date of final payment under the contract.

(d) If the parties fail to agree upon the existence or extent of a suspension, delay, or interruption, or on the amount of adjustment to be made, the dispute shall be determined as provided in the "Disputes" clause of this contract; but nothing in this clause shall excuse the Contractor from proceeding with the prosecution of the work in accordance with the contract to the extent possible or as otherwise directed by the Contracting Officer.

39. AUDIT AND RECORDS (Nov. 1967)—(a) The Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract. The foregoing constitute "records" for the purposes of this clause.

(b) The Contractor's plants, or such part thereof as may be engaged in the performance of this contract, and his records shall be subject at all reasonable times to inspection and audit by the Contracting Officer or his authorized representative. In addition, for purposes of verifying that cost or pricing data submitted, in conjunction with the negotiation of this contract or any contract change or other modification involving an amount in excess of \$100,000, were accurate, complete, and current, the Contracting Officer, or his authorized representatives, shall—until the expiration of three years from the date of final payment under this contract—have the right to examine those books, records, documents, papers and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(c) The Contractor shall preserve and make available his records (i) until the expiration of three years from the date of final payment under this contract, and (ii) for such longer period, if any, as is required by applicable statute, or by other clauses of this contract, or by (A) or (B) below.

(A) If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.

(B) Records which relate to (i) appeals under the "Disputes" clause of this contract or (ii) litigation or the settlement of claims arising out of the performance of this contract, shall be retained until such appeals, litigation, or claims have been disposed of.

(d) (1) The Contractor shall insert this clause, including the whole of the paragraph (d), in each subcontract hereunder that is not firm fixed-price or fixed-price with escalation. When so inserted, changes shall be made to designate the higher-tier subcontractor at the level involved in place of the Contractor; to add "of the Government prime contract" after "Contracting Officer"; and to substitute "the Government prime contract" in place of "this contract" in (B) of paragraph (c) above.

(2) The Contractor shall insert the following clause in each firm fixed-price or fixed-price with escalation subcontract hereunder which when entered into exceeds \$100,000, except those subcontracts covered by subparagraph (3) below.

AUDIT—

(a) For purposes of verifying that certified cost or pricing data submitted in conjunction with the negotiation of this contract or any contract change or other modification involving an amount in excess of \$100,000 were accurate, complete, and current, the Contracting Officer of the Government prime contract, or his authorized representatives, shall—until the expiration of three years from the date of final payment under this contract—have the right to examine those books, records, documents, papers and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(b) The Subcontractor agrees to insert this clause including this paragraph (b) in all subcontracts hereunder which when entered into exceed \$100,000 unless the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(3) The Contractor shall insert the following clause in each firm fixed-price or fixed-price with escalation subcontract hereunder which when entered into exceeds \$100,000 where the price is based on adequate price competition established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

AUDIT—PRICE ADJUSTMENTS

(a) This clause shall become operative only with respect to any change or other modification of this contract, which involves a price adjustment in excess of \$100,000 unless the price adjustment is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation, provided that such change or other modification to this contract must result from a change or other modification to the Government prime contract.

(b) For purposes of verifying that any certified cost or pricing data submitted in conjunction with a contract change or other modification were accurate, complete, and current, the Contracting Officer of the Government prime contract, or his authorized representatives, shall—until the expiration of three years from the date of final payment under this contract—have the right to examine those books, records, documents, papers and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(c) The Subcontractor agrees to insert this clause including this paragraph (c) in all subcontracts hereunder which when entered into exceeds \$100,000.

40. PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (Nov. 1967)—(a) If any price, including profit or fee, negotiated in connection with this contract or any cost reimbursable under this contract was increased by any significant sums because the Contractor, or any subcontractor pursuant to the clause of this contract entitled "Subcontractor Cost or Pricing Data" or "Subcontractor Cost or Pricing Data—Price Adjustments" or any subcontract clause therein required, furnished incomplete or inaccurate cost or pricing data or data not current as certified in the Contractor's Certificate of Current Cost or Pricing Data, then such price or cost shall be reduced accordingly and the contract shall be modified in writing as may be necessary to reflect such reduction.

(b) Failure to agree on a reduction shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract.

Price Reduction for Defective Cost or Pricing Data—Price Adjustments

(a) This clause shall become operative only with respect to any change or other modification of this contract which involves a price adjustment in excess of \$100,000, except where the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. The right to price reduction under this clause shall be limited to such price adjustments.

(b) If any price, including profit, or fee, negotiated in connection with any price adjustment under this contract was increased by any significant sums because of the contractor or any subcontractor, pursuant to the clause of this contract entitled, "Subcontractor Cost or Pricing Data—Price Adjustments" or any subcontract clause therein required, furnished incomplete or inaccurate cost or pricing data or data not current as of the date of execution of the Contractor's Certificate of Current Cost or Pricing Data, then such price shall be reduced accordingly and the contract shall be modified in writing to reflect such reduction.

(c) Failure to agree on a reduction shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract.

41. MATERIAL INSPECTION AND RECEIVING REPORT (Feb. 1968)—At the time of each delivery under this contract, the Contractor shall prepare and furnish to the Government a Material Inspection and Receiving Report (DD Form 250 Series), in the manner and to the extent required by the Contracting Officer.

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42. GROUND AND FLIGHT RISK (Apr. 1968)—(a) Notwithstanding any other provisions of this contract, except as may be specifically provided in the Schedule as an exception to this clause, the Government, subject to the definitions and limitations of this clause, assumes the risk of damage to, or loss or destruction of, aircraft "in the open," during "operation," and in "flight," as these terms are defined below, and agrees that the Contractor shall not be liable to the Government for any such damage, loss, or destruction, the risk of which is so assumed by the Government.

(b) For the purposes of this clause:

(i) Unless otherwise specifically provided in the Schedule, the term "aircraft" means—

(A) aircraft (including (I) complete aircraft, and (II) aircraft in the course of being manufactured, disassembled, or reassembled; **provided**, that an engine or a portion of a wing or a wing is attached to a fuselage of such aircraft) to be furnished to the Government under this contract (whether before or after acceptance by the Government); and

(B) aircraft (regardless of whether in a state of disassembly or reassembly) furnished by the Government to the Contractor under this contract;

including all property installed therein, or in the process of installation, or temporarily removed from such aircraft; **provided**, however, that such aircraft and property are not covered by a separate bailment agreement.

(ii) The term "in the open" means located wholly outside of buildings on the Contractor's premises or at such other places as may be described in the Schedule as being in the open for the purposes of this clause, except that aircraft furnished by the Government shall be deemed to be in the open at all times while in Contractor's possession, care, custody, or control.

(iii) The term "flight" means any flight demonstration, flight test, taxi test, or other flight, made in the performance of this contract, or for the purpose of safeguarding the aircraft, or previously approved in writing by the _____*. With respect to land based aircraft "flight" shall commence with the taxi roll from a flight line on the Contractor's premises, and continue until the aircraft has completed the taxi roll in returning to a flight line on the Contractor's premises; with respect to seaplanes, "flight" shall commence with the launching from a ramp on the Contractor's premises and continue until the aircraft has completed its landing run upon return and is beached at a ramp on the Contractor's premises; with respect to helicopters, "flight" shall commence upon engagement of the rotors for the purpose of take-off from the Contractor's premises and continue until the aircraft has returned to the ground on the Contractor's premises and the rotors are disengaged; and with respect to vertical take-off aircraft, "flight" shall commence upon disengagement from any launching platform or device on the Contractor's premises and continue until the aircraft has been re-engaged to any launching platform or device on the Contractor's premises; **provided**, that aircraft off the Contractor's premises shall be deemed to be in flight when on the ground or water only during periods of reasonable duration following emergency landing, other landings made in the performance of this contract, or landings approved by _____* in writing.

(iv) The term "Contractor's premises" means those premises designated as such in the Schedule or in writing by the _____* and any other place to which aircraft are moved for the purpose of safeguarding the Aircraft.

(v) The term "operation" means operations and tests, other than on any production line, of aircraft, when not in flight, whether or not the aircraft is in the open or in motion during the making of any such operations or tests, and includes operations and tests of equipment, accessories, and power plants, only when installed in aircraft.

(vi) The term "flight crew members" means the pilot, the co-pilot and, unless otherwise specifically provided in the Schedule, the flight engineer, navigator, bombardier-navigator, and defensive systems operator, when required, or assigned to their respective crew positions, to conduct any flight on behalf of the Contractor.

(c)(1) The Government's assumption of risk under this clause, as to aircraft in the open, shall continue in effect unless terminated pursuant to subparagraph (3) below. Where the _____* finds that any of such aircraft is in the open under unreasonable conditions, he shall notify the Contractor in writing of the conditions he finds to be unreasonable and require the Contractor to correct such conditions within a reasonable time..

(2) Upon receipt of such notice, the Contractor shall act promptly to correct such conditions, regardless of whether he agrees that such conditions are in fact unreasonable. To the extent that the Contracting Officer may later determine that such conditions were not in fact unreasonable, an equitable adjustment shall be made in the contract price to compensate the Contractor for any additional costs he incurred in correcting such conditions and the contract shall be modified in writing accordingly. Any dispute as to the unreasonableness of such conditions or the equitable adjustment shall be deemed to be a dispute concerning a question of the fact within the meaning of the clause of this contract entitled "Disputes."

(3) If the _____* finds that the Contractor has failed to act promptly to correct such conditions or has failed to correct such conditions within a reasonable time, he may terminate the Government's assumption of risk under this clause, as to any of the aircraft which is in the open under such conditions, such termination to be effective at 12:01 A.M. on the fifteenth day following the day of receipt by the Contractor of written notice thereof. If the Contracting Officer later determines that the Contractor acted promptly to correct such conditions or that the time taken by the Contractor was not in fact unreasonable, an equitable adjustment shall, notwithstanding paragraph (g) of this clause, be made in the contract price to compensate the Contractor for any additional costs he incurred as a result of termination of the Government's assumption of risk under this clause and the contract shall be modified in writing accordingly. Any dispute as to whether the Contractor failed to act promptly to correct such conditions, or as to the reasonableness of the time for correction of such conditions, or as to such equitable adjustment, shall be deemed to be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(4) In the event the Government's assumption of risk under this clause is terminated in accordance with (3) above, the risk of loss with respect to Government-furnished property shall be determined in accordance with the clause of this contract, if any, entitled "Government Property" until the Government's assumption of risk is reinstated in accordance with (5) below.

(5) When unreasonable conditions have been corrected, the Contractor shall promptly notify the Government thereof. The Government may elect to again assume the risks and relieve the Contractor of liabilities as provided in this clause, or not, and the _____* shall notify the Contractor of the Government's election. If, after correction of the unreasonable conditions the Government elects to again assume such risks and relieve the Contractor of such liabilities, the Contractor shall be entitled to an equitable adjustment in the contract price for costs of insurance, if any, extending from the end of the third working day after the Contractor notifies the Government of such correction until the Government

notifies the Contractor of such election. If the Government elects not to again assume such risks, and such conditions have in fact been corrected, the Contractor shall be entitled to an equitable adjustment for costs of insurance, if any, extending after such third working day.

(d) The Government's assumption of risk shall not extend to damage to, or loss or destruction of, such aircraft:

- (i) resulting from failure of the Contractor, due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel, to maintain and administer a program for the protection and preservation of aircraft in the open, and during operation, in accordance with sound industrial practice (the term "Contractor's managerial personnel" means the contractor's directors, officers, and any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of all or substantially all of the Contractor's business, or all or substantially all of the Contractor's operations at any one plant or separate location at which this contract is performed, or a separate and complete major industrial operation in connection with the performance of this contract);

- (ii) sustained during flight if the flight crew members conducting such flight have not been approved in writing by the _____*;

- (iii) while in the course of transportation by rail, or by conveyance on public streets, highways, or waterways, except for Government-furnished property;

- (iv) to the extent that such damage, loss or destruction is in fact covered by insurance;
- (v) consisting of wear and tear, deterioration (including rust and corrosion), freezing, or mechanical, structural, or electrical breakdown or failure, unless such damage is the result of other loss, damage, or destruction covered by this clause; provided, however, in the case of Government-furnished property, if such damage consists of reasonable wear and tear or deterioration, or results from inherent vice in such property, this exclusion shall not apply; or

- (vi) sustained while the aircraft is being worked upon and directly resulting therefrom, including but not limited to any repairing, adjusting, servicing or maintenance operation, unless such damage, loss, or destruction, is of a type which would be covered by insurance which would customarily have been maintained by the Contractor at the time of such damage, loss, or destruction, but for the Government's assumption of risk under this clause.

(e) With the exception of damage to, or loss or destruction of aircraft in "flight," the Government's assumption of risk under this clause shall not extend to the first \$1,000 of loss or damage resulting from each event separately occurring. The Contractor assumes the risk of and shall be responsible for the first \$1,000 of loss of or damage to aircraft "in the open" or during "operation" resulting from each event separately occurring, except for reasonable wear and tear and except to the extent the loss or damage is caused by negligence of Government personnel. If the Government elects to require that the aircraft be replaced or restored by the Contractor to the condition in which it was immediately prior to the damage, the equitable adjustment in the price authorized by paragraph (i) below shall not include the dollar amount of the risk assumed by the Contractor under this paragraph. In the event the Government does not elect repair or replacement, the Contractor agrees to credit the contract price or pay the Government \$1,000 (or the amount of the loss if smaller) as directed by the Contracting Officer.

(f) A subcontractor shall not be relieved from liability for damage to, or loss or destruction of, aircraft while in his possession or control, except to the extent that the subcontract, with the prior written approval of the Contracting Officer, provides for relief of the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of such aircraft in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of this contract. Where a subcontractor has not been relieved from liability for any damage, loss, or destruction of aircraft and any damage, loss, or destruction occurs, the Contractor shall enforce the liability of the subcontractor for such damage to, or loss or destruction of, the aircraft for the benefit of the government.

(g) The Contractor warrants that the contract price does not and will not include, except as may be otherwise authorized in this clause, any charge or contingency reserve for insurance (including self-insurance funds or reserves) covering any damage to, or loss or destruction of, aircraft while in the open, during operation, or in flight, the risk of which has been assumed by the Government under the provisions of this clause, whether or not such assumption may be terminated as to aircraft in the open.

(h) In the event of damage to, or loss or destruction of, aircraft in the open, during operation, or in flight, the Contractor shall take all reasonable steps to protect such aircraft from further damage, separate damaged and undamaged aircraft, put all aircraft in the best possible order and, further, except in cases covered by (e) above, the Contractor should furnish to the _____* a statement of:

- (i) the damaged, lost, or destroyed aircraft;
- (ii) the time and origin of the damage, loss or destruction;
- (iii) all known interests in commingled property of which aircraft are a part; and
- (iv) the insurance, if any, covering any part of the interest in such commingled property.

Except in cases covered by (e) above, an equitable adjustment shall be made in the amount due under this contract for expenditures made by the Contractor in performing his obligations under this paragraph (h) and this contract shall be modified in writing accordingly.

(i) If prior to delivery and acceptance by the Government any aircraft is damaged, lost, or destroyed and the Government has under this clause assumed the risk of such damage, loss or destruction, the Government shall either (1) require that such aircraft be replaced or restored by the Contractor to the condition in which it was immediately prior to such damage, or (2) shall terminate this contract with respect to such aircraft. In the event that the Government requires that the aircraft be replaced or restored, an equitable adjustment shall be made in the amount due under this contract and in the time required for its performance, and this contract shall be modified in writing accordingly. If, in the alternative, this contract is terminated under this paragraph with respect to such aircraft and under this clause the Government has assumed the risk of such damage, loss, or destruction, the Contractor shall be paid the contract price for said aircraft (or, if applicable, any work to be performed on said aircraft) less such amounts as the Contracting Officer determines (1) that it would have cost the Contractor to complete the aircraft (or any work to be performed on said aircraft) together with anticipated profit, if any, on any such uncompleted work, and (2) to be the value, if any, of the damaged aircraft or any remaining portion thereof retained by the Contractor. The Contracting Officer shall have the right to prescribe the manner of disposition of the damaged, lost, or destroyed aircraft, or any remaining parts thereof; and, if any additional costs of such disposition are incurred by the Contractor, a further equitable adjustment will be made in the amount due to the Contractor. Failure of the parties to agree upon an equitable adjustment or upon the amount to be paid in the event of termination of the contract with respect to any aircraft, shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract.

* In the foregoing clause there is inserted "Contracting Officer" unless otherwise filled in.

(j) In the event the Contractor is at any time reimbursed or compensated by any third person for any damage, loss, or destruction of any aircraft, the risk of which has been assumed by the Government under the provisions of this clause and for which the Contractor has been compensated by the Government, he shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such damage, loss, or destruction and, upon the request of the _____,* shall at the Government's expense furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment or subrogation in favor of the Government) in obtaining recovery.

43. SPECIAL TOOLING (Oct. 1967)

(a) Definition.

(1) The term "special tooling" means all jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, and replacements thereof, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof, or the performance of particular services. The term includes all components of such items, but does not include:

- (i) consumable property;
- (ii) special test equipment; or
- (iii) buildings, nonseverable structures (except foundations and similar improvements necessary for the installation of special tooling), general or special machine tools, or similar capital items.

(2) For the purposes of this clause, the term "special tooling" does not include:

- (i) items acquired by the Contractor prior to the effective date of this contract, or replacements of such items, whether or not altered or adapted for use in the performance of this contract; or
- (ii) items specifically excluded by the Schedule.

(b) **Use of Special Tooling.** The Contractor agrees not to use any items of special tooling except in the performance of this contract, or as approved by the Contracting Officer.

(c) **List of Special Tooling.** Within sixty (60) days after delivery of the first production end items under this contract, or such later date as may be prescribed by the Contracting Officer, the Contractor shall if the Contracting Officer so requests, furnish the Contracting Officer a list of all special tooling acquired or manufactured by the Contractor for use in the performance of this contract. The list shall specify the nomenclature, tool number and related product part number or service, and unit or group cost of the special tooling. Upon completion or termination of all or a substantial part of the work under this contract the Contractor shall furnish a final list in the same form covering all items not previously reported under this paragraph; provided, however, that the Contracting Officer may by written notice waive this requirement or extend it until the completion of this contract and other contracts and subcontracts as to which approval has been obtained under paragraph (b) above. Special tooling which has become obsolete as a result of changes in design or specification need not be reported, except as provided for in paragraph (d).

(d) **Changes in Design.** In the event of any changes in design or specifications which affect interchangeability of parts, the Contractor shall, unless otherwise agreed to by the Contracting Officer, give the Contracting Officer notice of any part which is not interchangeable with the new or superseding part and the usable special tooling for each part covered in such notice shall be retained by the Contractor subject to the provisions of paragraph (i), pending disposition under paragraph (f).

(e) **Contractor's Offer to Retain Special Tooling.** At the time he furnishes any list or notice under (c) or (d) above, the Contractor may designate those items of special tooling (either specifically or by listing the particular products, parts, or services for which such items were used or designed) which he desires to retain, together with a written offer.

(i) to retain any or all of such items, free and clear of any Government interest, for an amount designated therein, which should ordinarily not be less than the then fair value of such items which fair value takes into account, among other things, the value of such items to the Contractor for use in further work by him; or

(ii) to retain any or all such items for such period of time and subject to such terms and conditions as may be agreed to by the parties hereto, subject to ultimate retention or disposition of such items in accordance with paragraph (f) hereof.

(f) **Disposition of Special Tooling.** Within ninety (90) days after receipt of any list or notice under paragraph (c) or (d) hereof, or such further period as may be agreed upon by the parties, the Contracting Officer shall furnish to the Contractor:

(i) a list specifying the particular products, parts, or services for which the Government may require special tooling together with a request that the Contractor transfer title (to the extent not previously transferred under any other clause of this contract) and deliver to the Government all usable items of special tooling which were used or designed for the manufacture or performance of any designated portion of such products, parts, or services, and which were on hand when production of such products or parts, or performance of such services, ceased;

(ii) an acceptance or rejection of any offer made by the Contractor under paragraph (e) above, or a request for further negotiation with respect thereto;

(iii) a direction to the Contractor to sell, or to dispose of as scrap, for the account of the Government, any or all of the special tooling covered by such list;

(iv) a statement with respect to any or all of the special tooling covered by such list that the Government has no further interest herein and waives its rights therein; or

(v) any combination of the foregoing, as the circumstances warrant.

The Contractor shall promptly comply with any request by the Contracting Officer under this paragraph to transfer title to any items of special tooling, and shall: (1) immediately prepare such items for shipment by proper packaging, packing, and marking, in accordance with any instructions which may be issued by the Contracting Officer, and shall promptly deliver such items to the Government as directed by the Contracting Officer; or (2) if a storage agreement has been entered into, prepare such items for storage in accordance therewith, as directed by the Contracting Officer. To the extent that compliance with such directions under (iii), (1) or (2) above occasions any cost to the Contractor for which he will

not otherwise be compensated, the contract price shall be equitably adjusted in accordance with the procedures of the "Changes" clause hereof. Any items of special tooling so delivered or stored shall be accompanied by such operation sheets or other appropriate data as are necessary to show the manufacturing operations or processes for which such items were used or designed. If the Contracting Officer has requested further negotiations under (ii) of this paragraph, the Contractor agrees that he will enter into such negotiations in good faith with the Contracting Officer. Any items of special tooling which are not disposed of by transfer of title and delivery to the Government, or by acceptance of an offer of the Contractor made under paragraph (e), or of such offer as modified in the course of negotiations, shall be disposed of in the manner set forth in (iii) or (iv) of this paragraph. Any failure of the Contracting Officer to give the directions required under (i)—(v) above within the specified period shall be construed as a direction pursuant to (iii) above.

(g) **Proceeds of Retention or Disposition of Special Tooling.** If the Contracting Officer accepts an offer of the Contractor to retain any items of special tooling, or if any such items are sold to third parties or disposed of as scrap, the net proceeds shall: (i) be deducted from the amounts due to the Contractor under this contract and the contract amended accordingly; or (ii) be otherwise paid as the contracting Officer may direct.

(h) **Property Control.** The Contractor agrees that he will follow his normal industrial practice in maintaining property control records on all the special tooling, and that he will make such records available for inspection by the Government at all reasonable times. The Contractor further agrees that, to the extent practicable, he will identify by appropriate stamp, tag or other mark all special tooling subject to this clause.

(i) **Maintenance Pending Disposition.** The Contractor agrees that between the date any usable items of special tooling are no longer needed by him, within the meaning of this clause, and the date of final disposition of such items under this clause, he will take all reasonable steps necessary to maintain the identity and existing conditions of such items, unless the Contracting Officer has directed that such items be disposed of as scrap or has given notice under (f) (iv). The Contractor shall not be required to keep any such items in place.

(j) **Special Tooling Provisions for Subcontracts.** The Contractor agrees that, in placing any subcontracts or purchase orders under this contract which involve the use of special tooling, the full cost of which is charged to such subcontract or purchase order, he will include therein appropriate provisions to obtain rights comparable to those granted to the Government by this clause, unless the Contracting Officer determines, upon the Contractor's request, that, with respect to any subcontract, purchase order, or class thereof, such rights are not of substantial interest to the Government. The Contractor further agrees that he will exercise any such rights for the benefit of the Government, as the Contracting Officer may direct.

44. ALTERATIONS IN CONTRACT. The following alterations have been made in the provisions of this contract:

(1) **CLAUSE 24—MILITARY SECURITY REQUIREMENTS**, and in particular paragraphs (c) and (d) thereunder, shall be applicable only to the extent as authorized by the security representative of the Contracting Officer.

(2) **CLAUSE 28—GOVERNMENT PROPERTY**, paragraph (d), Property Administration, is applicable only to the extent as authorized, modified, or revised by the Contracting Officer or his duly authorized representative.

SECRET